



**STRICTLY EMBARGOED  
UNTIL 7AM FRIDAY 18 NOVEMBER 2016**

**FULLER, SMITH & TURNER P.L.C.  
("Fuller's" or "the Company")**

**Half year results for the 26 weeks ended 24 September 2016  
*A good performance in changing times***

### **Financial Highlights**

- Adjusted earnings per share<sup>1</sup> up 6% to 32.44p (2015/16: 30.74p)
- Adjusted profit before tax<sup>2</sup> up 6% to £22.8 million (2015/16: £21.6 million)
- Revenue up 11% to £197.6 million (2015/16: £177.7 million)
- EBITDA<sup>3</sup> up 9% to £36.3 million (2015/16: £33.3 million)
- Interim dividend up 5% to 7.25p (2015/16: 6.90p)
- Net debt to EBITDA<sup>4</sup> at 3.0 times (2015/16: 3.0 times)

### **Operational Indicators**

- Managed Pubs and Hotels grew like for like sales by 3.4%, supported by further growth in food, with a rise in operating profit before exceptional items of 6%
- Tenanted Inns operating profit before exceptional items marginally down 1% and like for like profit down 2%
- Craft beer brands showed strong growth for The Fuller's Beer Company and operating profit before exceptional items rose by 8%, although total beer and cider volumes decreased by 4%

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1. 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 32.08p (2015/16: 29.84p)
  2. Adjusted profit before tax is the profit before tax excluding exceptional items. Statutory profit before tax was £21.4 million (2015/16: £21.2 million)
  3. Pre-exceptional earnings before interest, tax, depreciation, profit on disposal of properties and amortisation
  4. Net debt to EBITDA is calculated on a pro forma 12 month basis adjusting as appropriate for acquisitions and disposals

## Strategy Update

- Acquired two new Managed Pubs, The Gun on the River Thames in Docklands overlooking The O2 arena, and The Half Moon, Herne Hill
- Added 16 boutique hotel rooms to our estate, which is well-positioned to attract expected additional inbound tourists and staycationers
- Further developed our portfolio of premium brands with the addition of new Sierra Nevada beers, Cornish Orchards Blush on draught and Alhambra, a refreshing premium lager imported from Spain
- Investment in additional warehouse capacity at Nectar, with further expansion at Cornish Orchards nearing completion
- Ongoing investment in our team across the Group to ensure we recruit, develop and retain motivated and inspired people

## Current Trading and Outlook

- Managed Pubs and Hotels like for like sales up by 2.6% for 33 weeks
- Tenanted Inns like for like profit down by 2% for 33 weeks
- Total beer and cider volumes down by 5% for 33 weeks
- Acquired The Albert Arms in Esher – a freehold site and our first pub in the area
- Started development schemes in six pubs since the half year, with 15 more planned before the year end
- Opened The Stable, Exeter in October 2016

Commenting on the results, Chief Executive Simon Emeny said: “We have had a good start to the year and our Managed Pubs and Hotels, which represent the largest share of our profits, have yet again led the way with a rise in like for like sales that has outperformed the market.

“Trading since the period end has been good and as expected, with comparisons to last year being heavily influenced by the 2015 Rugby World Cup. For the first 33 weeks, like for like sales in our Managed Pubs and Hotels grew 2.6%, Tenanted Inns like for like profits declined 2% and Fuller’s Beer Company volumes fell 5%.

“There is no doubt that the UK economy is facing some significant challenges. The impact of increases in business rates and the National Living Wage, combined with uncertainty around the UK’s departure from the EU, make for changing times ahead. However, Fuller’s has a long-term, strategic vision, a solid balance sheet and a predominantly freehold estate, which is well-invested and supported by excellent, engaged team members and dedicated, skilled management. These are the qualities needed to continue to delight and excite our customers, provide a good return for our shareholders and attract the best new recruits to our business.”

**-Ends-**

**For further information, please contact:**

Fuller, Smith & Turner P.L.C.

Simon Emeny, Chief Executive (press)	020 8996 2175
James Douglas, Finance Director (analysts)	020 8996 2000
Georgina Wald, Corporate Communications Manager	020 8996 2198/07831 299801

Instinctif Partners

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

**Fuller, Smith and Turner P.L.C.** is an independent traditional family brewer founded in 1845 and is based at the historic Griffin Brewery in Chiswick, London, where brewing has taken place continuously since 1654. The Company runs 196 Tenanted pubs and 196 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 665 boutique bedrooms in its Managed estate. The Fuller's pub estate stretches from Brighton to Birmingham and from Bristol to the Greenwich Peninsula, including 175 locations within the M25. In 2014, Fuller's acquired a 51% stake in The Stable, a craft cider and gourmet pizza restaurant business. A further 25% stake was acquired in May 2016, taking our ownership to 76%. The Stable has 17 sites in England and Wales.

The Fuller's Beer Company brews a portfolio of premium beers including London Pride, Oliver's Island, ESB, Organic Honey Dew and Frontier Craft Lager. In June 2013, the Company acquired Cornish Orchards, a craft cider maker producing a range of award-winning ciders and premium soft drinks. Fuller's is also the UK distributor for Sierra Nevada, the premier US craft beer. In December 2015, Fuller's acquired a 51% stake in Nectar Imports, a wholesale drinks business.

**Photography is available from the Fuller's Press Office on 020 8996 2175 or by email at [pr@fullers.co.uk](mailto:pr@fullers.co.uk).**

*Copies of this statement, the Interim Report and results presentation will be available on the Company's website, [www.fullers.co.uk](http://www.fullers.co.uk). The presentation will be available from 12 noon on 18 November 2016.*



**FULLER, SMITH & TURNER P.L.C.**  
**HALF YEAR RESULTS FOR THE 26 WEEKS ENDED 24 SEPTEMBER 2016**

**CHAIRMAN'S STATEMENT**

I am pleased to be announcing another good set of results, demonstrating the benefits of a long-term, balanced business with a clear vision and an excellent management team. Total revenue has increased by 11% to £197.6 million benefiting from the acquisition last year of Nectar and the expansion of The Stable (2015/16: £177.7 million). Our adjusted profit before tax<sup>2</sup> has increased by 6% to £22.8 million (2015/16: £21.6 million) and in line with this, the key measure for our shareholders of adjusted earnings per share<sup>1</sup> has also risen by 6%, to 32.44p (2015/16: 30.74p).

These good results have been driven by further growth in our Managed Pubs and Hotels division, which has seen like for like sales rise by 3.4% (2015/16: 5.6%), once again outperforming the market. Our Managed Pubs continue to deliver a very clear customer offer based around delicious, home-cooked, seasonal food, a great range of premium drinks, well-invested pubs and excellent customer service. Our continuous programme of refurbishing and investing in our existing estate, together with targeted acquisitions, ensures we look after our existing customers while attracting new guests in new locations.

Times have been tougher for our Tenanted Inns and The Fuller's Beer Company, but as a long-term business, we look with optimism to the future. We have a plan in progress to create a Tenanted division that better reflects the Fuller's vision and values and a similar forward looking approach for The Fuller's Beer Company. Our commitment to developing balanced beers that pack great flavours, while remaining moreish, has resulted in good sales for our craft keg range and at Cornish Orchards, a similar ethos to making cider has resulted in sales growth in this important market sector too.

We have continued to invest heavily in our people and I am delighted to see further internal promotions during the first half of this financial year. This commitment has helped us to recruit the best people, develop and retain them and they, in turn, continue to deliver long-term success for the Company and returns for our shareholders. I would like to thank the whole team for their hard work and dedication.

**DIVIDEND**

The Board is pleased to announce an increase of 5% in the interim dividend to 7.25p (2015/16: 6.90p) per 40p 'A' and 'C' ordinary share and 0.725p (2015/16: 0.69p) per 4p 'B' ordinary share. This will be paid on 3 January 2017 to shareholders on the share register as at 2 December 2016.

Michael Turner  
Chairman  
17 November 2016



## CHIEF EXECUTIVE'S REVIEW

We have had a good start to the year and our Managed Pubs and Hotels, which represent the largest share of our profits, have yet again led the way with a rise in like for like sales that has outperformed the market. Our Tenanted Inns and The Fuller's Beer Company have had a demanding six months, but the benefits of a balanced business portfolio have resulted in a pleasing set of results for the Group. It has been a period of two distinct parts. The poor start to the summer season and uncertainty due to the EU referendum slowed early like for like growth, while the good weather in August and September provided a welcome lift.

Fuller's has a long history in both retailing and brewing and we have progressed through changing times over nearly two centuries. The current political environment makes for uncertain times once again and there are cost pressures on the horizon in the form of a steep rise in business rates, combined with an increase in the National Living Wage. However our clear, differentiated strategy, executed with outstanding standards and supported by a solid balance sheet, provides the stability and long-term vision needed to steer a course through any future choppy waters.

There have been a number of highlights over the last six months and I am particularly delighted with the progress we have made in improving awareness of our fantastic fresh food, the wide range of Fuller's craft beer and our continued focus on our people. We have seen further internal promotions and a reduction in labour turnover.

Before analysing the various elements of the Fuller's business in more detail, it is important to view the Group as a whole. The manner in which our business is structured offers real benefit in fluctuating conditions as business rates and the National Living Wage affect only Fuller's Inns, with no impact on The Fuller's Beer Company. Meanwhile, in terms of raw material costs, our Managed Pubs and Hotels and The Stable have both majored on using local ingredients, ensuring a UK-centric supply chain, and our beers and ciders also use predominantly British ingredients.

### FULLER'S INNS

Fuller's Inns has had another good six months with like for like sales increasing in our Managed Pubs and Hotels by 3.4% and operating profit before exceptional items rising 6% to £18.0 million (2015/16: £17.0 million). Our Tenanted Inns have had a more testing period, with like for like profit decreasing by 2%, but we have long-term plans in place to strengthen this part of our business.

We have added two new pubs to the estate during the period – The Gun in Docklands and The Half Moon in Herne Hill. The Gun is an iconic pub on the outskirts of Canary Wharf with a fascinating history. Nestled on the banks of The River Thames, it overlooks The O2 arena and has an enviable reputation for fantastic food. It is one of London's gems and we were delighted to acquire this freehold property.

The Half Moon in Herne Hill is another iconic pub, in a prominent location opposite Herne Hill station. This is an area which is new territory for Fuller's and the pub, which is on a lease from The Dulwich Estate, will provide 12 boutique hotel rooms, a large trading area and will further expand our geographic footprint to a new area of London. A Grade II star listed property, it will be a stunning addition to our portfolio when it opens in February next year following an extensive refurbishment.

We have also continued our programme of investment in our existing estate to ensure our customers benefit from a first class environment in which to enjoy delicious food, a great range of premium brands and our excellent customer service. Among the highlights of this refurbishment programme are The Queen's Head in Kingston, which has reopened with 10 exquisite bedrooms, and The Astronomer, formerly The Shooting Star, in Middlesex Street opposite Liverpool Street station. The latter is part of our successful Ale & Pie brand and the scheme has proved popular with new and existing customers. We have also completed transformational schemes at a number of pubs including The William Walker in Winchester and The Harpenden Arms in Harpenden.

### **Managed Pubs and Hotels**

The rise in like for like sales of 3.4% reflects growth across all parts of our Managed Pubs and Hotels business, which generates 63% of the Group's total operating profit<sup>5</sup>. Food sales have risen by 3.6% with drinks and accommodation both rising by 3.3%. We continue to deliver a distinctive customer experience and these figures underpin the success of that strategy.

We began a journey to become famous for food over five years ago and the steady growth, year on year, in our food sales is very rewarding. One of the key elements in this growth is the Chef's Guild programme, which currently has 127 students involved in at least one of its programmes. This commitment to recruiting and developing a home grown team of excellent chefs and chef trainees has led the way in our sector, reduced head chef turnover by 36% and it is flattering to see others attempt to imitate our lead.

During the first half, we really have put our chefs front and centre. We named our first ever Chefs of the Year – Gavin Sinden, from The Stonemasons Arms in Hammersmith, who took the senior prize and Luke Emmess of The Still & West in Southsea, who won the under-25s title. The prize for Gavin and Luke was an inspirational trip to Dubai to spend time with

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<sup>5</sup> Operating profit before unallocated central management costs and exceptional items



some amazing chefs and experience an incredible plethora of tastes and flavours. We have also used our chefs in a marketing campaign promoting *Fuller's Kitchen* – our food initiative. They have appeared on posters across London and the South, in press advertising and as part of a digital campaign.

The rise in bar sales has been driven by a continual move to higher margin, premium products. Craft beer sales in particular have been rising, including Frontier and other Fuller's craft brands. Our Managed Pubs and Hotels also have access to a wide range of beers from other brewers and are encouraged to ensure they have a range that is suitable for their customers. Premium spirits are also in growth, with gin once again being the star of the show, up by 20% and cocktails have also grown, with sales rising by 19%. Wine sales have also fared well, rising by 4%, with Albarino, a white wine from Spain, performing particularly well.

Our premium strategy helped grow margins, offsetting the impact of the National Living Wage. The outlook, though, is becoming more challenging, with inflation from a weaker pound next year and from 1 April 2017, higher business rates that will cost the division around £2.0 million in the full year to March 2018.

Accommodation sales have also risen steadily during the period and we see this as an opportunity moving forward. We believe that a weaker pound will encourage inbound tourism and staycations and Fuller's is well-placed to capitalise on this. During the first six months, we have added six new bedrooms at The Princess Royal in Farnham, giving the site a total of 27 rooms, as well as opening 10 new rooms at The Queen's Head in Kingston. We currently have 665 bedrooms across our Managed Pubs and Hotels estate, intend to add an additional 18 before the year end and have already identified a number of suitable opportunities for the future.

To attract today's consumer, we have a comprehensive marketing programme of interesting events and targeted promotions. During the first half, we have increased our contactable customer database by 83% and linked up with AMEX on a pilot partnership aimed at attracting customers into our pubs.

The ever-popular *Shakespeare in the Garden* series returned for another season with 22 performances of *Twelfth Night* in 13 Managed Pubs and Hotels. We also teamed up with Artichoke, the artistic promotion company behind *Great Fire 350* commemorating the Great Fire of London, creating the official pie and hosting a number of tours around our City pubs. Finally, we ran an innovative Father's Day campaign, which saw one lucky Dad have his own pub for the day. The competition had been run through social media, generating high levels of interest and engagement, as well as follow up coverage in traditional media.

While delicious food, an interesting portfolio of premium brands, fantastic hotel bedrooms and innovative events and marketing draw the customers in, the battle to retain customers and generate repeat visits is still won on service. Our successful service coach

programme and investment in training, development and recognised career paths, continue to drive loyalty and customer-centric behaviour and drive down labour turnover rates. We will be covering the cost of applying for a permanent residence card for any EU or EEA nationals who have worked for Fuller's for a period of five years or more and we will provide support and guidance throughout the application process. We are very proud of the cosmopolitan workforce we have in our business and we have a clear position of supporting and rewarding the loyalty shown by all our team members, regardless of nationality.

The Stable, the cathedral to cider and pizza, continues to attract a younger, more female demographic than our traditional estate and we increased our shareholding in the business during the period to 76%. The Stable has had a busy six months, with three new sites opening in Whitechapel, Kew and Bournemouth. A site in Exeter, which incorporates a fabulous roof terrace, opened in October taking us to 17 restaurants.

The Stable continues to grow fans across the country with its delicious pizzas, focus on local produce and comprehensive range of ciders. Social media plays a large role in its marketing activity and innovative campaigns generate an abundance of comment on Twitter, Facebook and Instagram, as well as great local press coverage. We have appointed an Operations Director, another internal promotion, and were delighted when Andy Briggs, one of The Stable's founders, won the Technical Award at the recent National Pizza Awards held just after the period end.

### **Tenanted Inns**

Our Tenanted Inns saw average EBITDA<sup>3</sup> per pub increase by 1%, in spite of like for like profit decreasing by 2% and operating profit before exceptional items by 1% to £6.6 million (2015/16: £6.7 million). The number of Tenants on substantive agreements has risen by 4%, we disposed of two sites and two other sites were transferred to Managed Pubs.

We held a performance of *Shakespeare in the Garden* at The Calleva Arms in Silchester, the first time we have included a tenanted pub in this successful initiative. In addition, we were delighted that The Royal Oak in Paley Street retained its Michelin Star for the eighth year running.

We have continued to improve access to online training for our tenants and their teams and we have become better at leveraging the expertise inherent within our Managed Pubs team, to provide better advice to our Tenants. However, there is still a big opportunity to move this highly cash-generative division back into profit growth.

Over the coming months, we will be looking to help our Tenants to open, develop and promote pubs that deliver the distinctive experience customers expect when they see the Fuller's name. We will achieve this by having the right pubs in the right locations, with engaged and entrepreneurial Tenants and a joint investment programme that will include

a focus on kitchens. As part of this plan, 18 sites which no longer fit our criteria have been earmarked for sale.

We currently have a very wide range of Tenanted Inns – from high end food houses, to community locals. While we want to protect this diversity, we want to ensure our customers receive a great Fuller's experience regardless of location or operating style. Our future plans will enable us to do that and create an estate that is good for Fuller's, is in line with our values and vision, and is profitable for our Tenants.

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

The Fuller's Beer Company revenues rose by 19%, reflecting the revenue contribution from Nectar Imports. As a result, operating profit before exceptional items rose by 8% to £3.9 million (2015/16: £3.6 million) although beer and cider volumes were down 4%. Frontier Craft Lager, our second biggest brand, saw strong sales growth of 37% and it was also pleasing to see sales of our other craft keg beers, such as Montana Red and Wild River, grow by 22% – outperforming the market.

The development of Westside Drinks as a vehicle to sell our craft beer portfolio has proved successful and our investment in Nectar creates more opportunities for the future. Nectar is already delivering additional revenue – and sales of Fuller's beers through this channel have also increased. Nectar and Westside work closely together to improve the flow of Fuller's beers and ciders to customers outside our heartland and to give our existing customers access to a wider range.

Westside Drinks also generated further sales opportunities at a number of festivals, which attract craft beer customers in droves, and this has helped to drive sales of Frontier in particular. We created a new bar during the period, in a shipping container, which has improved our visual impact. In order to better support our trade customers, we also launched a bespoke Fuller's craft beer glass which is contemporary in style, with a nod to our heritage.

Access to new distribution has also come through Sierra Nevada. This important agency brand is in good growth and, as the UK distributor of its wider range, it opens the doors to new accounts. Today's consumer demands authenticity and provenance and our brewing team is respected across the globe. This has led to Fuller's collaborating on beers with a number of UK and foreign craft brewers adding yet more sought after, limited edition, premium beers to our extensive portfolio.

Cask beer is still at our core and we were delighted to be asked to host The Cask Yard, a dedicated section of the London Craft Beer Festival in August this year. London Pride retained its status as the Official Beer of the London Marathon and this activity was supported with innovative on course branding, pub guides, mascots participating in the race itself and a free pint offer for every runner. Oliver's Island was a sponsor of the Great

River Race, held in September, and we created a spectator guide and hosted an Oliver's Island branded bar area for thirsty viewers and oarsmen.

It has also been a good six months for Cornish Orchards, with sales in double digit growth. The launch of Cornish Orchards Blush on draught has been well received and the brand has also benefited from its sponsorship of *Boardmasters* – the Newquay surfing festival that attracts a global audience. The Wine Division has targeted higher margin, premium customers, resulting in a rise in overall profit contribution.

Looking forward, we will continue to focus on recruiting new drinkers with interesting beers and ciders from both Fuller's and through our agency brands. We have also invested in new equipment at our Chiswick Brewery, including a cross-flow filter which will further improve quality, widen our range of brews and drive efficiencies. A new warehouse is near completion at Nectar to increase capacity and at Cornish Orchards new offices, a new warehouse, new containers and an improved water treatment system are due to come on stream imminently.

## **FINANCIAL PERFORMANCE**

The Group has a strong financial position as a cash generative business with a high quality, mainly freehold asset base and a ratio of net debt to pro forma EBITDA<sup>4</sup> at 3.0 times, consistent with last year.

The Group generated cash from operating activities of £34.0 million in the period (2015/16 £33.4 million). In line with our long term investment strategy, we invested £28.6 million in capital expenditure. We spent £19.1 million on our continued investment in the Fuller's Inns estate and equipment at the Chiswick Brewery. In addition, £9.5 million was spent on acquisitions including The Gun and the purchase of an additional 25% share in The Stable Pizza & Cider Limited on 27 May 2016 for £2.7 million, taking our ownership to 76%. In addition, £6.1 million was paid in dividends and £2.5 million was spent on the purchase of own shares. This led to net debt increasing by £4.3 million from 26 March 2016 to £202.8 million.

The Group has £210 million of available long term facilities £126.7 million of which has been extended for a year and is now available until August 2021. An additional £20 million facility is available until August 2017. Our undrawn committed facilities at 24 September 2016 were £45.5 million and this, along with our strong balance sheet position, gives us the flexibility to invest strategically in future opportunities as they arise.

EBITDA<sup>3</sup> increased by 9% to £36.3 million (2015/16: £33.3 million), which was greater than the increase in adjusted profit before tax. Net finance costs before exceptional items increased from £2.9 million to £3.4 million primarily as a result of the higher average level of net debt in the period compared to last year as a result of our significant capital investment in H1 2015/16. This increased investment in new and existing sites has also led to

an increase in depreciation and amortisation in the period compared to H1 2015/16 of 15%.

Net exceptional costs before tax of £1.4 million consists of profits on property disposals of £0.5 million, offset by acquisition costs expensed of £0.6 million, reorganisation costs of £0.6 million, deemed remuneration on the future purchase of shares in The Stable of £0.3 million and a net interest charge on our pension deficit of £0.4 million.

Statutory profit before tax after exceptional items was £21.4 million (2015/16: £21.2 million). Tax has been provided for at an effective rate before exceptional items of 21.5% which is consistent with the full year 2016 rate before prior year adjustments to deferred tax (2015/16: 20.4%). The overall effective tax rate of 17.3% (2015/16: 21.2%) has benefited from a deferred tax credit of £1.0 million relating to the reduction of the UK corporation tax rate from 18% to 17% from 1 April 2020 following The Finance Act 2016 receiving Royal Assent. A full analysis of the tax charge is set out in Note 5. The net impact of these items results in basic earnings per share increasing by 8% to 32.08p (2015/16: 29.84p), with adjusted earnings per share<sup>1</sup> up 6% to 32.44p (2015/16: 30.74p).

The deficit on the defined benefit pension scheme has increased by £17.9 million from the year end to £41.4 million (March 2016: £23.5 million, September 2015: £24.2 million). The present value of scheme liabilities has increased by £30.6 million since year end primarily due to a reduction in the discount rate from 3.55% to 2.30% and this has been partially offset by an increase in the value of the plan assets. The net actuarial movement of £17.9 million has led to the Group's net assets reducing by £5.4 million to £295.5 million.

During the period 233,109 'A' ordinary 40p shares were purchased by the Company into treasury for a total of £2.4 million. In addition, 105,764 'B' ordinary 4p shares were purchased for a total of £0.1 million by the Trustees of the Company's Long Term Incentive Share Plan to cover future issuance.

## **CURRENT TRADING AND OUTLOOK**

Trading since the period end has been good and as expected, with comparisons to last year being heavily influenced by the 2015 Rugby World Cup. For the first 33 weeks, like for like sales in our Managed Pubs and Hotels grew 2.6%, Tenanted Inns like for like profits declined 2% and Fuller's Beer Company volumes fell 5%.

The important Christmas trading period is fast approaching and bookings are strong, our enthusiastic team members are geared up and ready to deliver a fantastic customer experience and our estate is in excellent condition.

Since the period end, we have acquired one new pub – The Albert Arms in Esher, which will reopen in the new year following a full refurbishment and gives us a foothold in the town. We have also opened The Stable in Exeter, which is trading well. In addition, we

have completed a number of schemes, including The Tea Merchant in Canary Wharf, formerly The Cat & Canary, and The King's Head in Earl's Court Village. Another 15 schemes are planned for the second half and we will continue with our investment programme.

There is no doubt that the UK economy is facing some significant challenges. The impact of increases in business rates and the National Living Wage, combined with uncertainty around the UK's departure from the EU, make for changing times ahead. However, Fuller's has a long-term, strategic vision, a solid balance sheet and a predominantly freehold estate, which is well-invested and supported by excellent, engaged team members and dedicated, skilled management. These are the qualities needed to continue to delight and excite our customers, provide a good return for our shareholders and attract the best new recruits to our business.

Simon Emeny  
Chief Executive  
17 November 2016

**FULLER, SMITH & TURNER P.L.C.**  
**FINANCIAL HIGHLIGHTS**  
**FOR THE 26 WEEKS ENDED 24 SEPTEMBER 2016**

	<i>Unaudited</i> <b>26 weeks ended</b> <b>24 September</b> <b>2016</b> <b>£m</b>	<i>Unaudited</i> <b>26 weeks ended</b> <b>26 September</b> <b>2015</b> <b>£m</b>	<i>Change</i> <b>2016/2015</b>	<i>Audited</i> <b>52 weeks ended</b> <b>26 March</b> <b>2016</b> <b>£m</b>
Revenue	197.6	177.7	11%	350.5
Adjusted profit <sup>1</sup>	22.8	21.6	6%	40.9
Adjusted earnings per share <sup>2</sup>	32.44p	30.74p	6%	58.35p
EBITDA <sup>3</sup>	36.3	33.3	9%	65.0
Basic earnings per share <sup>4</sup>	32.08p	29.84p	8%	59.25p
Profit before tax	21.4	21.2	1%	39.2
Dividend per share <sup>4</sup>	7.25p	6.90p	5%	17.90p
Net debt <sup>5</sup>	202.8	191.2		198.5
<b>Pro forma net debt / EBITDA <sup>6</sup></b>	<b>3.0 times</b>	<b>3.0 times</b>		<b>3.0 times</b>

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

6 Pro forma net debt / EBITDA is calculated on a 12 month basis adjusting as appropriate for acquisitions and disposals.

**FULLER, SMITH & TURNER P.L.C.**  
**CONDENSED GROUP INCOME STATEMENT**  
**FOR THE 26 WEEKS ENDED 24 SEPTEMBER 2016**

<i>Unaudited – 26 weeks ended 24 September 2016</i>	<i>Note</i>	<i>Before exceptional items £m</i>	<i>Exceptional items £m</i>	<i>Total £m</i>
<b>Revenue</b>	2	197.6	-	197.6
Operating costs	3	(171.4)	(1.5)	(172.9)
<b>Operating profit</b>		26.2	(1.5)	24.7
Profit on disposal of properties	3	-	0.5	0.5
Finance costs	3,4	(3.4)	(0.4)	(3.8)
<b>Profit before tax</b>		22.8	(1.4)	21.4
Taxation	3,5	(4.9)	1.2	(3.7)
<b>Profit for the period</b>		17.9	(0.2)	17.7
<b>Attributable to:</b>				
<i>Equity shareholders of the Parent Company</i>		17.9	(0.2)	17.7
<i>Non-controlling interests</i>		-	-	-
		17.9	(0.2)	17.7

<i>Unaudited – 26 weeks ended 26 September 2015</i>	<i>Note</i>	<i>Before exceptional items £m</i>	<i>Exceptional items £m</i>	<i>Total £m</i>
<b>Revenue</b>	2	177.7	-	177.7
Operating costs	3	(153.2)	(1.6)	(154.8)
<b>Operating profit</b>		24.5	(1.6)	22.9
Profit on disposal of properties	3	-	1.6	1.6
Finance costs	3,4	(2.9)	(0.4)	(3.3)
<b>Profit before tax</b>		21.6	(0.4)	21.2
Taxation	3,5	(4.4)	(0.1)	(4.5)
<b>Profit for the period</b>		17.2	(0.5)	16.7
<b>Attributable to:</b>				
<i>Equity shareholders of the Parent Company</i>		17.0	(0.5)	16.5
<i>Non-controlling interests</i>		0.2	-	0.2
		17.2	(0.5)	16.7



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

<i>Audited – 52 weeks ended</i> 26 March 2016	Note	<i>Before exceptional items £m</i>	<i>Exceptional items £m</i>	<i>Total £m</i>
<b>Revenue</b>	2	350.5	-	350.5
Operating costs	3	(303.6)	(3.9)	(307.5)
<b>Operating profit</b>		46.9	(3.9)	43.0
Profit on disposal of properties	3	-	2.9	2.9
Finance costs	3,4	(6.0)	(0.7)	(6.7)
<b>Profit before tax</b>		40.9	(1.7)	39.2
Taxation	3,5	(8.4)	2.2	(6.2)
<b>Profit for the year</b>		32.5	0.5	33.0
<b>Attributable to:</b>				
<i>Equity shareholders of the Parent Company</i>		32.3	0.5	32.8
<i>Non-controlling interests</i>		0.2	-	0.2
		32.5	0.5	33.0

**EARNINGS PER SHARE**

		<i>Unaudited 26 weeks ended 24 September 2016 Pence</i>	<i>Unaudited 26 weeks ended 26 September 2015 Pence</i>	<i>Audited 52 weeks ended 26 March 2016 Pence</i>
<b>Per 40p 'A' and 'C' ordinary share</b>				
Basic	6	<b>32.08</b>	29.84	59.25
Diluted	6	<b>31.62</b>	29.45	58.45
Adjusted	6	<b>32.44</b>	30.74	58.35
Diluted adjusted	6	<b>31.98</b>	30.35	57.56
<b>Per 4p 'B' ordinary share</b>				
Basic	6	<b>3.21</b>	2.98	5.93
Diluted	6	<b>3.16</b>	2.95	5.85
Adjusted	6	<b>3.24</b>	3.07	5.84
Diluted adjusted	6	<b>3.20</b>	3.03	5.76

**FULLER, SMITH & TURNER P.L.C.**  
**CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 26 WEEKS ENDED 24 SEPTEMBER 2016**

	<i>Unaudited</i> <b>26 weeks</b> <i>ended</i> <b>24 September</b> <b>2016</b> <i>£m</i>	<i>Unaudited</i> <b>26 weeks</b> <i>ended</i> <b>26 September</b> <b>2015</b> <i>£m</i>	<i>Audited</i> <b>52 weeks</b> <i>ended</i> <b>26 March</b> <b>2016</b> <i>£m</i>
<b>Profit for the period</b>	<b>17.7</b>	16.7	33.0
<i>Items that may be reclassified to profit or loss:</i>			
Net gains/(losses) on valuation of financial assets and liabilities	<b>(1.5)</b>	0.5	(0.3)
Tax related to items that may be reclassified to profit or loss	5 <b>0.2</b>	(0.1)	0.1
<i>Items that will not be reclassified to profit or loss:</i>			
Net actuarial (losses) on pension scheme	10 <b>(17.9)</b>	(0.1)	0.7
Tax related to items that will not be reclassified to profit or loss	5 <b>3.0</b>	-	(0.8)
Other comprehensive income/(loss) for the period, net of tax	<b>(16.2)</b>	0.3	(0.3)
<b>Total comprehensive income for the period</b>	<b>1.5</b>	17.0	32.7
<i>Total comprehensive income attributable to:</i>			
<i>Equity shareholders of the Parent Company</i>	<b>1.5</b>	16.8	32.5
<i>Non-controlling interests</i>	-	0.2	0.2
	<b>1.5</b>	17.0	32.7

**FULLER, SMITH & TURNER P.L.C.**  
**CONDENSED GROUP BALANCE SHEET**  
**24 SEPTEMBER 2016**

		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
		<b>At</b>	<b>At</b>	<b>At</b>
		<b>24 September</b>	<b>26 September</b>	<b>26 March</b>
		<b>2016</b>	<b>2015</b>	<b>2016</b>
	<i>Note</i>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Non-current assets</b>				
Intangible assets		<b>39.4</b>	38.3	39.8
Property, plant and equipment	8	<b>545.9</b>	515.2	533.8
Investment properties		<b>5.2</b>	4.6	4.6
Other financial assets		<b>0.1</b>	0.2	0.1
Other non-current assets		<b>0.4</b>	0.2	0.3
Deferred tax assets		<b>11.6</b>	8.8	8.3
<b>Total non-current assets</b>		<b>602.6</b>	567.3	586.9
<b>Current assets</b>				
Inventories		<b>13.6</b>	11.1	12.4
Trade and other receivables		<b>23.6</b>	18.5	21.0
Cash and short term deposits	9	<b>8.5</b>	7.1	6.2
<b>Total current assets</b>		<b>45.7</b>	36.7	39.6
<b>Assets classified as held for sale</b>		<b>1.5</b>	-	0.5
<b>Current liabilities</b>				
Trade and other payables		<b>66.4</b>	54.5	60.8
Current tax payable		<b>5.0</b>	5.1	4.4
Provisions		<b>1.6</b>	0.3	0.4
Borrowings	9	<b>20.0</b>	20.0	20.0
<b>Total current liabilities</b>		<b>93.0</b>	79.9	85.6
<b>Non-current liabilities</b>				
Borrowings	9	<b>191.3</b>	178.3	184.7
Other financial liabilities		<b>10.0</b>	6.8	10.7
Retirement benefit obligations	10	<b>41.4</b>	24.2	23.5
Deferred tax liabilities		<b>17.6</b>	20.9	19.0
Provisions		<b>0.7</b>	2.2	2.2
Other non-current payables		<b>0.3</b>	0.3	0.4
<b>Total non-current liabilities</b>		<b>261.3</b>	232.7	240.5
<b>Net assets</b>		<b>295.5</b>	291.4	300.9
<b>Capital and reserves</b>				
Share capital		<b>22.8</b>	22.8	22.8
Share premium account		<b>4.8</b>	4.8	4.8
Capital redemption reserve		<b>3.1</b>	3.1	3.1
Own shares		<b>(17.6)</b>	(14.8)	(15.8)
Hedging reserve		<b>(3.9)</b>	(2.0)	(2.6)
Retained earnings		<b>289.2</b>	280.4	293.0
<b>Equity attributable to the owners of the parent</b>		<b>298.4</b>	294.3	305.3
<b>Non-controlling interest</b>		<b>(2.9)</b>	(2.9)	(4.4)
<b>Total equity</b>		<b>295.5</b>	291.4	300.9

**FULLER, SMITH & TURNER P.L.C.**  
**CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 26 WEEKS ENDED 24 SEPTEMBER 2016**

	<i>Share capital</i>	<i>Share premium account</i>	<i>Capital redemption reserve</i>	<i>Own shares</i>	<i>Hedging reserve</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non-controlling Interest</i>	<i>Total equity</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
<b>Unaudited – 26 weeks ended 24 September 2016</b>									
At 26 March 2016	22.8	4.8	3.1	(15.8)	(2.6)	293.0	305.3	(4.4)	300.9
Profit for the period	-	-	-	-	-	17.7	17.7	-	17.7
Other comprehensive income/(loss) for the period	-	-	-	-	(1.3)	(14.9)	(16.2)	-	(16.2)
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	<b>(1.3)</b>	<b>2.8</b>	<b>1.5</b>	-	<b>1.5</b>
Shares purchased to be held in ESOT or as treasury	-	-	-	(2.5)	-	-	(2.5)	-	(2.5)
Shares released from ESOT and treasury	-	-	-	0.7	-	(0.2)	0.5	-	0.5
Dividends (note 7)	-	-	-	-	-	(6.1)	(6.1)	-	(6.1)
Share-based payment charges	-	-	-	-	-	1.2	1.2	-	1.2
Adjustment arising from change in non-controlling interest	-	-	-	-	-	(1.5)	(1.5)	1.5	-
Tax credited directly to equity (note 5)	-	-	-	-	-	-	-	-	-
<b>At 24 September 2016</b>	<b>22.8</b>	<b>4.8</b>	<b>3.1</b>	<b>(17.6)</b>	<b>(3.9)</b>	<b>289.2</b>	<b>298.4</b>	<b>(2.9)</b>	<b>295.5</b>
<b>Unaudited – 26 weeks ended 26 September 2015</b>									
At 28 March 2015	22.8	4.8	3.1	(13.5)	(2.4)	270.0	284.8	(3.1)	281.7
Profit for the period	-	-	-	-	-	16.5	16.5	0.2	16.7
Other comprehensive loss for the period	-	-	-	-	0.4	(0.1)	0.3	-	0.3
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>0.4</b>	<b>16.4</b>	<b>16.8</b>	<b>0.2</b>	<b>17.0</b>
Shares purchased to be held in ESOT or as treasury	-	-	-	(4.3)	-	-	(4.3)	-	(4.3)
Shares released from ESOT and treasury	-	-	-	3.0	-	(2.4)	0.6	-	0.6
Dividends (note 7)	-	-	-	-	-	(5.6)	(5.6)	-	(5.6)
Share-based payment charges	-	-	-	-	-	1.7	1.7	-	1.7
Tax credited directly to equity (note 5)	-	-	-	-	-	0.3	0.3	-	0.3
<b>At 26 September 2015</b>	<b>22.8</b>	<b>4.8</b>	<b>3.1</b>	<b>(14.8)</b>	<b>(2.0)</b>	<b>280.4</b>	<b>294.3</b>	<b>(2.9)</b>	<b>291.4</b>

FULLER, SMITH & TURNER P.L.C.

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY (*continued*)

	<i>Share capital</i>	<i>Share premium account</i>	<i>Capital redemption reserve</i>	<i>Own shares</i>	<i>Hedging reserve</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non- controlling Interest</i>	<i>Total equity</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
<i>Audited – 52 weeks ended 26 March 2016</i>									
At 28 March 2015	22.8	4.8	3.1	(13.5)	(2.4)	270.0	284.8	(3.1)	281.7
Profit for the period	-	-	-	-	-	32.8	32.8	0.2	33.0
Other comprehensive loss for the period	-	-	-	-	(0.2)	(0.1)	(0.3)	-	(0.3)
<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.2)</b>	<b>32.7</b>	<b>32.5</b>	<b>0.2</b>	<b>32.7</b>
Shares purchased to be held in ESOT or as treasury	-	-	-	(6.2)	-	-	(6.2)	-	(6.2)
Shares released from ESOT and treasury	-	-	-	3.9	-	(3.1)	0.8	-	0.8
Dividends (note 7)	-	-	-	-	-	(9.5)	(9.5)	-	(9.5)
Share-based payment charges	-	-	-	-	-	2.6	2.6	-	2.6
Tax credited directly to equity (note 5)	-	-	-	-	-	0.3	0.3	-	0.3
Adjustment arising from change in non-controlling interest	-	-	-	-	-	-	-	(1.5)	(1.5)
<b>At 26 March 2016</b>	<b>22.8</b>	<b>4.8</b>	<b>3.1</b>	<b>(15.8)</b>	<b>(2.6)</b>	<b>293.0</b>	<b>305.3</b>	<b>(4.4)</b>	<b>300.9</b>

**FULLER, SMITH & TURNER P.L.C.**  
**CONDENSED GROUP CASH FLOW STATEMENT**  
**FOR THE 26 WEEKS ENDED 24 SEPTEMBER 2016**

		<i>Unaudited</i> <b>26 weeks</b> <i>ended</i> <b>24 September</b> <b>2016</b> <i>£m</i>	<i>Unaudited</i> <b>26 weeks</b> <i>ended</i> <b>26 September</b> <b>2015</b> <i>£m</i>	<i>Audited</i> <b>52 weeks</b> <i>ended</i> <b>26 March</b> <b>2016</b> <i>£m</i>
	Note			
<b>Group profit before tax</b>		<b>21.4</b>	21.2	39.2
Net finance costs before exceptional items		<b>3.4</b>	2.9	6.0
Exceptional items	3	<b>1.4</b>	0.4	1.7
Depreciation and amortisation		<b>10.1</b>	8.8	18.1
		<b>36.3</b>	33.3	65.0
Difference between pension charge and cash paid		<b>(0.4)</b>	(0.6)	(1.0)
Share-based payment charges		<b>1.2</b>	1.7	2.6
Change in trade and other receivables		<b>(2.7)</b>	(0.7)	(0.3)
Change in inventories		<b>(1.2)</b>	(0.5)	(0.3)
Change in trade and other payables		<b>6.4</b>	4.7	3.7
Cash impact of operating exceptional items	3	<b>(1.0)</b>	(0.5)	(1.1)
<b>Cash generated from operations</b>		<b>38.6</b>	37.4	68.6
Tax paid		<b>(4.6)</b>	(4.0)	(8.5)
<b>Cash generated from operating activities</b>		<b>34.0</b>	33.4	60.1
<b>Cash flow from investing activities</b>				
Business combinations		<b>(9.5)</b>	(6.2)	(14.7)
Purchase of property, plant and equipment		<b>(19.1)</b>	(46.7)	(66.0)
Cash acquired on acquisition		-	-	0.9
Sale of property, plant and equipment		<b>1.5</b>	3.0	5.1
<b>Net cash outflow from investing activities</b>		<b>(27.1)</b>	(49.9)	(74.7)
<b>Cash flow from financing activities</b>				
Purchase of own shares		<b>(2.5)</b>	(4.3)	(6.2)
Receipts on release of own shares to option schemes		<b>0.5</b>	0.6	0.8
Interest paid		<b>(2.9)</b>	(2.6)	(5.3)
Preference dividends paid		<b>(0.1)</b>	(0.1)	(0.1)
Equity dividends paid	7	<b>(6.1)</b>	(5.6)	(9.5)
Drawdown of bank loans		<b>6.5</b>	30.5	36.4
Repayment of other loans		-	-	(0.2)
Cost of refinancing		-	-	(0.2)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(4.6)</b>	18.5	15.7
<b>Net movement in cash and cash equivalents</b>	9	<b>2.3</b>	2.0	1.1
Cash and cash equivalents at the start of the period		<b>6.2</b>	5.1	5.1
<b>Cash and cash equivalents at the end of the period</b>	9	<b>8.5</b>	7.1	6.2

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

**1. HALF YEAR REPORT**

**Basis of preparation**

The half year financial statements for the 26 weeks ended 24 September 2016 have been reviewed by the auditor and prepared in accordance with the Disclosure and Transparency Rules (“DTRs”) of the Financial Conduct Authority and with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, as adopted by the European Union and should be read in conjunction with the Annual Report and Financial statements for the 52 weeks ended 26 March 2016, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

The half year financial statements do not constitute full accounts as defined by Section 434 of the Companies Act 2006. The figures for the 52 weeks ended 26 March 2016 are derived from the published statutory accounts. Full accounts for the 52 weeks ended 26 March 2016, including an unqualified auditor’s report which did not make any statement under Section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies.

The Directors have reviewed current performance and forecasts, combined with expenditure commitments and made appropriate enquiries. 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.

The half year financial statements were approved by the Directors on 17 November 2016.

**Adoption of New Standards and Interpretations**

There have been no further new accounting standards or interpretations issued in the 26 weeks ended 24 September 2016. The accounting policies adopted are consistent with those applied in the 52 weeks ended 26 March 2016, which were published as part of the accounts for that year and which are available from the Group’s website, [www.fullers.co.uk](http://www.fullers.co.uk).

**Taxation**

Taxes on income in the interim periods are accrued using the tax rate that is expected to be applicable to total annual earnings for the full year in each tax jurisdiction based on substantively enacted or enacted tax rates at the interim date.

## 2. SEGMENTAL ANALYSIS

### *Unaudited - 26 weeks ended 24 September 2016*

	<i>Managed Pubs and Hotels</i> <i>£m</i>	<i>Tenanted Inns</i> <i>£m</i>	<i>The Fuller's Beer Company</i> <i>£m</i>	<i>Unallocated<sup>1</sup></i> <i>£m</i>	<i>Total</i> <i>£m</i>
<b>Revenue:</b>					
Segment revenue	130.8	15.6	74.8	-	221.2
Inter-segment sales	-	-	(23.6)	-	(23.6)
<b>Revenue from third parties</b>	<b>130.8</b>	<b>15.6</b>	<b>51.2</b>	-	<b>197.6</b>
<b>Segment result</b>	<b>18.0</b>	<b>6.6</b>	<b>3.9</b>	<b>(2.3)</b>	<b>26.2</b>
Operating exceptional items					(1.5)
<b>Operating profit</b>					<b>24.7</b>
Profit on disposal of properties					0.5
Net finance costs					(3.8)
<b>Profit before tax</b>					<b>21.4</b>
<b>Other segment information</b>					
Capital expenditure on property plant and equipment	16.3	1.0	1.8	-	19.1
Business Combinations	9.2	-	0.3	-	9.5
Depreciation and amortisation	7.4	0.8	1.9	-	10.1
Impairment of property	-	-	-	-	-

### *Unaudited - 26 weeks ended 26 September 2015*

	<i>Managed Pubs and Hotels</i> <i>£m</i>	<i>Tenanted Inns</i> <i>£m</i>	<i>The Fuller's Beer Company</i> <i>£m</i>	<i>Unallocated<sup>1</sup></i> <i>£m</i>	<i>Total</i> <i>£m</i>
<b>Revenue:</b>					
Segment revenue	121.9	16.1	63.0	-	201.0
Inter-segment sales	-	-	(23.3)	-	(23.3)
<b>Revenue from third parties</b>	<b>121.9</b>	<b>16.1</b>	<b>39.7</b>	-	<b>177.7</b>
<b>Segment result</b>	<b>17.0</b>	<b>6.7</b>	<b>3.6</b>	<b>(2.8)</b>	<b>24.5</b>
Operating exceptional items					(1.6)
<b>Operating profit</b>					<b>22.9</b>
Profit on disposal of properties					1.6
Net finance costs					(3.3)
<b>Profit before tax</b>					<b>21.2</b>
<b>Other segment information</b>					
Capital expenditure on property plant and equipment	42.9	3.1	1.2	-	47.2
Business Combinations	6.2	-	-	-	6.2
Depreciation and amortisation	6.3	0.8	1.7	-	8.8
Impairment of property	-	-	-	-	-

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



## 2. SEGMENTAL ANALYSIS (continued)

<i>Audited - 52 weeks ended 26 March 2016</i>	<i>Managed Pubs and Hotels £m</i>	<i>Tenanted Inns £m</i>	<i>The Fuller's Beer Company £m</i>	<i>Unallocated<sup>1</sup> £m</i>	<i>Total £m</i>
Revenue:					
Segment revenue	238.4	31.5	126.8	-	396.7
Inter-segment sales	-	-	(46.2)	-	(46.2)
Revenue from third parties	238.4	31.5	80.6	-	350.5
Segment result	30.9	13.4	7.6	(5.0)	46.9
Operating exceptional items					(3.9)
Operating profit					43.0
Profit on disposal of properties					2.9
Net finance costs					(6.7)
Profit before tax					39.2
<i>Other segment information</i>					
Capital expenditure on property plant and equipment	60.9	2.2	2.9	-	66.0
Business Combinations	7.3	4.7	2.7	-	14.7
Depreciation and amortisation	13.0	1.6	3.5	-	18.1
Impairment of property	1.2	0.2	-	-	1.4
Reversal of impairment of property	(0.5)	(0.1)	-	-	(0.6)

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

### 3. EXCEPTIONAL ITEMS

	<i>Unaudited</i> <b>26 weeks ended</b> <b>24 September</b> <b>2016</b> <b>£m</b>	<i>Unaudited</i> <b>26 weeks ended</b> <b>26 September</b> <b>2015</b> <b>£m</b>	<i>Audited</i> <b>52 weeks ended</b> <b>26 March</b> <b>2016</b> <b>£m</b>
<b>Amounts included in operating profit:</b>			
Acquisition costs	<b>(0.6)</b>	(0.5)	(1.1)
Reorganisation costs	<b>(0.6)</b>	-	-
Deemed remuneration on future purchase of shares in The Stable	<b>(0.3)</b>	(1.3)	(2.2)
Impairment of properties	-	-	(1.4)
Reversal of impairment on property	-	-	0.6
Onerous lease provision release	-	0.2	0.2
<b>Total exceptional items included in operating profit</b>	<b>(1.5)</b>	(1.6)	(3.9)
<b>Profit on disposal of properties</b>	<b>0.5</b>	1.6	2.9
<b>Exceptional finance costs:</b>			
Finance charge on net pension liabilities (note 10)	<b>(0.4)</b>	(0.4)	(0.8)
Movement in fair value of financial instruments	-	-	0.1
<b>Total exceptional finance costs</b>	<b>(0.4)</b>	(0.4)	(0.7)
<b>Total exceptional items before tax</b>	<b>(1.4)</b>	(0.4)	(1.7)
<b>Exceptional tax:</b>			
Change in corporation tax rate (note 5)	<b>1.0</b>	-	1.9
Profit on disposal of properties	-	(0.3)	(0.5)
Other items	<b>0.2</b>	0.2	0.8
<b>Total exceptional tax</b>	<b>1.2</b>	(0.1)	2.2
<b>Total exceptional items</b>	<b>(0.2)</b>	(0.5)	0.5

Acquisition costs of £0.6 million during the 26 weeks ended 24 September 2016 (26 September 2015: £0.5 million, 26 March 2016: £1.1 million) relate to transaction costs on pub acquisitions. In the 52 weeks ended 31 March 2016 the costs related to pub acquisitions and business acquisitions.

The reorganisation costs of £0.6 million incurred in the period, were principally incurred within The Fuller's Beer Company and relate to staff.

Deemed remuneration on the future purchase of shares in The Stable relates to the remuneration element of the increase in the estimated value of the option remaining on The Stable group of companies. The original option was over 49% of the shares, but during the current period, the Group exercised the option to purchase an additional 25% of the shares for £2.7 million, taking its shareholding to 76%. The current estimate of the amount payable for the remaining 24% is £3.4 million, of which £2.8 million is accrued at the balance sheet date, with the balance to be accrued over the remaining period to 28 March 2018.

### 3. EXCEPTIONAL ITEMS (continued)

There was no property impairment charge during the 26 weeks ended 24 September 2016 (26 September 2015: nil, 26 March 2016: £1.4 million). In the 52 weeks ended 26 March 2016, there was a write down of licensed properties to their recoverable value. The reversal of impairment credit of £0.6 million during the 52 weeks ended 26 March 2016 related to the write back of previously impaired licensed properties to their recoverable value.

The onerous lease provision release of £0.2 million in the prior period relates to provisions made in respect of leasehold properties which are trading at a loss and which the Directors do not expect to become profitable in the future.

The profit on disposal of properties was £0.5 million during the year ended 24 September 2016 and relates to the disposal of two licensed properties. In the 52 weeks ended 26 March 2016, five properties were disposed generating a profit of £2.9 million.

The cash impact of operating exceptional items before tax for the 26 weeks ended 24 September 2016 was £1.0 million cash outflow (26 September 2015: £0.5 million cash outflow, 26 March 2016: £1.1 million cash outflow).

### 4. FINANCE COSTS

	<i>Unaudited</i> <b>26 weeks ended</b> <b>24 September</b> <b>2016</b> <i>£m</i>	<i>Unaudited</i> <b>26 weeks ended</b> <b>26 September</b> <b>2015</b> <i>£m</i>	<i>Audited</i> <b>52 weeks ended</b> <b>26 March</b> <b>2016</b> <i>£m</i>
<b>Interest expense arising on:</b>			
Financial liabilities at amortised cost – loans and debentures	<b>3.1</b>	2.7	5.7
Financial liabilities at amortised cost – preference shares	<b>0.1</b>	0.1	0.1
Total interest expense for financial liabilities	<b>3.2</b>	2.8	5.8
Unwinding of discounts on provisions	<b>0.2</b>	0.1	0.2
<b>Finance costs before exceptional items</b>	<b>3.4</b>	2.9	6.0
Finance charge on net pension liabilities (note 3)	<b>0.4</b>	0.4	0.8
Movement in fair value of financial instruments (note 3)	-	-	(0.1)
	<b>3.8</b>	3.3	6.7

## 5. TAXATION

	<i>Unaudited</i> <b>26 weeks ended</b> <b>24 September</b> <b>2016</b> <i>£m</i>	<i>Unaudited</i> <b>26 weeks ended</b> <b>26 September</b> <b>2015</b> <i>£m</i>	<i>Audited</i> <b>52 weeks ended</b> <b>26 March</b> <b>2016</b> <i>£m</i>
<b>Tax on profit on ordinary activities</b>			
Current income tax:			
Corporation tax	<b>5.2</b>	5.1	9.3
Total current income tax	<b>5.2</b>	5.1	9.3
Deferred tax:			
Origination and reversal of temporary differences	<b>(0.5)</b>	(0.6)	(1.2)
Change in corporation tax rate	<b>(1.0)</b>	-	(1.9)
Total deferred tax	<b>(1.5)</b>	(0.6)	(3.1)
<b>Total tax charged in the Income Statement</b>	<b>3.7</b>	4.5	6.2
<b>Tax relating to items charged/(credited) to Statement of Comprehensive Income</b>			
Deferred tax:			
Change in corporation tax rate	<b>0.3</b>	-	0.6
Tax charge/(credit) on valuation gains/(losses) of financial assets and liabilities	<b>(0.2)</b>	0.1	-
Tax charge/(credit) on actuarial (losses)/gains on pension scheme	<b>(3.3)</b>	-	0.1
<b>Tax (credit)/charge included in the Statement of Comprehensive Income</b>	<b>(3.2)</b>	0.1	0.7
<b>Tax relating to items charged/(credited) directly to equity</b>			
Deferred tax:			
Reduction in deferred tax liability due to indexation	-	(0.2)	-
Share-based payments	-	-	0.1
Current tax:			
Share-based payments	-	(0.1)	(0.4)
<b>Tax charge/(credit) in the Statement of Changes in Equity</b>	<b>-</b>	(0.3)	(0.3)

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

The Finance Act 2016 received Royal Assent during the 26 weeks to 24 September 2016. The impact is the reduction of the UK corporation tax rate from 18% to 17% from 1 April 2020.

During the 52 weeks ended 26 March 2016, the Finance Act 2015 received Royal Assent. The main impact was the reduction of the UK corporation tax rate from 20% to 19% from 1 April 2017 and the reduction from 19% to 18% from 1 April 2020. The impact in the 52 weeks to 26 March 2016 was an exceptional credit to the Income Statement of £1.9 million, and a charge to the Statement of Comprehensive Income of £0.6 million.

## 6. EARNINGS PER SHARE

	<i>Unaudited</i> <b>26 weeks ended</b> <b>24 September</b> <b>2016</b> <b>£m</b>	<i>Unaudited</i> <b>26 weeks ended</b> <b>26 September</b> <b>2015</b> <b>£m</b>	<i>Audited</i> <b>52 weeks ended</b> <b>26 March</b> <b>2016</b> <b>£m</b>
<b>Profit attributable to equity shareholders</b>	<b>17.7</b>	16.5	32.8
Exceptional items net of tax	<b>0.2</b>	0.5	(0.5)
<b>Adjusted earnings attributable to equity shareholders</b>	<b>17.9</b>	17.0	32.3
	<i>Number</i>	<i>Number</i>	<i>Number</i>
<b>Weighted average share capital</b>	<b>55,171,000</b>	55,296,000	55,356,000
Dilutive outstanding options and share awards	<b>799,000</b>	722,000	764,000
<b>Diluted weighted average share capital</b>	<b>55,970,000</b>	56,018,000	56,120,000
	<i>Pence</i>	<i>Pence</i>	<i>Pence</i>
<b>40p 'A' and 'C' ordinary share</b>	<b>32.08</b>	29.84	59.25
Basic earnings per share	<b>31.62</b>	29.45	58.45
Diluted earnings per share	<b>32.44</b>	30.74	58.35
Adjusted earnings per share	<b>31.98</b>	30.35	57.56
Diluted adjusted earnings per share			
<b>4p 'B' ordinary share</b>	<b>3.21</b>	2.98	5.93
Basic earnings per share	<b>3.16</b>	2.95	5.85
Diluted earnings per share	<b>3.24</b>	3.07	5.84
Adjusted earnings per share	<b>3.20</b>	3.03	5.76
Diluted adjusted earnings per share			

For the purposes of calculating the number of shares to be used above, 'B' ordinary shares have been treated as one tenth of an 'A' or 'C' ordinary 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 1,779,926 (26 September 2015: 1,687,868 and 26 March 2016: 1,628,444).

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. 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>Unaudited</i> <b>26 weeks ended</b> <b>24 September</b> <b>2016</b> <b>£m</b>	<i>Unaudited</i> 26 weeks ended 26 September 2015 £m	<i>Audited</i> 52 weeks ended 26 March 2016 £m
<b>Declared and paid during the period</b>			
Final dividend paid in the period	<b>6.1</b>	5.6	5.6
Interim dividend paid in the period	-	-	3.9
<b>Equity dividends paid</b>	<b>6.1</b>	5.6	9.5
Dividends on cumulative preference shares (note 4)	<b>0.1</b>	0.1	0.1
<b>Dividends per 40p 'A' and 'C' ordinary share declared in respect of the period</b>	<b>Pence</b>	<i>Pence</i>	<i>Pence</i>
Interim	<b>7.25</b>	6.90	6.90
Final	-	-	11.00
	<b>7.25</b>	6.90	17.90

The pence figures are for the 40p 'A' and 'C' ordinary shares. The 4p 'B' ordinary shares carry dividend rights of one tenth of those applicable to the 40p 'A' ordinary shares. Own shares held in the 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 7.25p (2015: 6.90p) for the 40p 'A' and 'C' ordinary shares, and 0.725p (2015: 0.690p) for the 4p 'B' ordinary shares, with a total estimated cost to the Company of £4.0 million (2015: £3.8 million).

## 8. PROPERTY, PLANT AND EQUIPMENT

	<i>Unaudited 26 weeks ended 24 September 2016 £m</i>	<i>Unaudited 26 weeks ended 26 September 2015 £m</i>	<i>Audited 52 weeks ended 26 March 2016 £m</i>
<b>Net book value at start of period</b>	<b>533.8</b>	471.9	471.9
Additions	<b>17.4</b>	47.2	69.2
Acquisitions	<b>6.5</b>	6.2	13.6
Disposals	<b>(0.6)</b>	(1.3)	(2.3)
Transfer to assets held for sale	<b>(1.5)</b>	-	(0.5)
Impairment loss net of reversals	-	-	(0.8)
Depreciation provided during the period	<b>(9.7)</b>	(8.8)	(17.3)
<b>Net book value at end of period</b>	<b>545.9</b>	515.2	533.8

During the 26 weeks ended 24 September 2016, the Group recognised a charge of £nil (26 September 2015: £nil, 26 March 2016: £0.8 million) in respect of the write down in value of licenced properties purchased in recent years where their asset values exceeded either fair value less costs to sell or their value in use.

## 9. ANALYSIS OF NET DEBT

<i>Unaudited - 26 weeks ended 24 September 2016</i>	<i>At 26 March 2016 £m</i>	<i>Cash flows £m</i>	<i>Non cash<sup>1</sup> £m</i>	<i>At 24 September 2016 £m</i>
<b>Cash and cash equivalents:</b>				
Cash and short term deposits	6.2	2.3	-	<b>8.5</b>
	<b>6.2</b>	<b>2.3</b>	-	<b>8.5</b>
<b>Debt:</b>				
Bank loans <sup>2</sup>	(177.0)	(6.5)	(0.1)	<b>(183.6)</b>
Other loans	(0.2)	-	-	<b>(0.2)</b>
Debenture stock	(25.9)	-	-	<b>(25.9)</b>
Preference shares	(1.6)	-	-	<b>(1.6)</b>
<b>Total borrowings</b>	<b>(204.7)</b>	<b>(6.5)</b>	<b>(0.1)</b>	<b>(211.3)</b>
<b>Net debt</b>	<b>(198.5)</b>	<b>(4.2)</b>	<b>(0.1)</b>	<b>(202.8)</b>

<sup>1</sup> Non-cash movements relate to the amortisation of arrangement fees, arrangement fees accrued and corporate acquisitions.

<sup>2</sup> Bank Loans net of arrangement fees.

## 9. ANALYSIS OF NET DEBT (continued)

<i>Unaudited - 26 weeks ended 26 September 2015</i>	<i>At 28 March 2015 £m</i>	<i>Cash flows £m</i>	<i>Non cash<sup>1</sup> £m</i>	<i>At 26 September 2015 £m</i>
Cash and cash equivalents:				
Cash and short term deposits	5.1	2.0	-	7.1
	<u>5.1</u>	<u>2.0</u>	<u>-</u>	<u>7.1</u>
Debt:				
Bank loans <sup>2</sup>	(140.0)	(30.5)	(0.1)	(170.6)
Other loans	(0.2)	-	-	(0.2)
Debenture stock	(25.9)	-	-	(25.9)
Preference shares	(1.6)	-	-	(1.6)
Total borrowings	<u>(167.7)</u>	<u>(30.5)</u>	<u>(0.1)</u>	<u>(198.3)</u>
Net debt	<u>(162.6)</u>	<u>(28.5)</u>	<u>(0.1)</u>	<u>(191.2)</u>

<i>Audited - 52 weeks ended 26 March 2016</i>	<i>At 28 March 2015 £m</i>	<i>Cash flows £m</i>	<i>Non cash<sup>1</sup> £m</i>	<i>At 26 March 2016 £m</i>
Cash and cash equivalents:				
Cash and short term deposits	5.1	1.1	-	6.2
	<u>5.1</u>	<u>1.1</u>	<u>-</u>	<u>6.2</u>
Debt:				
Bank loans <sup>2</sup>	(140.0)	(36.2)	(0.8)	(177.0)
Other loans	(0.2)	0.2	(0.2)	(0.2)
Debenture stock	(25.9)	-	-	(25.9)
Preference shares	(1.6)	-	-	(1.6)
Total borrowings	<u>(167.7)</u>	<u>(36.0)</u>	<u>(1.0)</u>	<u>(204.7)</u>
Net debt	<u>(162.6)</u>	<u>(34.9)</u>	<u>(1.0)</u>	<u>(198.5)</u>

<sup>1</sup> Non-cash movements relate to the amortisation of arrangement fees, arrangement fees accrued and corporate acquisitions.

<sup>2</sup> Bank Loans net of arrangement fees.



## 10. RETIREMENT BENEFIT OBLIGATIONS

	<i>Unaudited</i> <i>At</i> <i>24 September</i> <i>2016</i>	<i>Unaudited</i> <i>At</i> <i>26 September</i> <i>2015</i>	<i>Audited</i> <i>At</i> <i>26 March</i> <i>2016</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>
<b>The amount included in the Balance Sheet arising from the Group's obligations in respect of its defined benefit retirement plan</b>			
Fair value of scheme assets	<b>108.7</b>	94.5	96.0
Present value of scheme liabilities	<b>(150.1)</b>	(118.7)	(119.5)
<b>Deficit in the scheme</b>	<b>(41.4)</b>	(24.2)	(23.5)

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

Rate of increase in salaries	n/a	n/a	n/a
Rate of increase in pensions in payment	<b>2.90%</b>	3.15%	3.05%
Discount rate	<b>2.30%</b>	3.75%	3.55%
Inflation assumption – RPI	<b>2.90%</b>	3.15%	3.05%
Inflation assumption – CPI	<b>1.90%</b>	2.15%	2.05%

### Mortality assumptions

The mortality assumptions used in the valuation of the Plan as at 24 September 2016 are as set out in the financial statements for the 52 weeks ended 26 March 2016.

	<i>At</i> <i>24 September</i> <i>2016</i> <i>£m</i>	<i>At</i> <i>26 September</i> <i>2015</i> <i>£m</i>	<i>At</i> <i>26 March</i> <i>2016</i> <i>£m</i>
<b>Assets in the scheme</b>			
Corporate bonds	<b>22.8</b>	19.1	19.3
Equities	<b>53.6</b>	45.5	47.3
Property	<b>1.0</b>	0.9	1.0
Absolute return fund	<b>26.7</b>	26.9	25.8
Cash	<b>0.9</b>	0.9	1.4
Annuities	<b>3.7</b>	1.2	1.2
<b>Total market value of assets</b>	<b>108.7</b>	94.5	96.0

## 10. RETIREMENT BENEFIT OBLIGATIONS (continued)

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<b>At</b>	<b>At</b>	<b>At</b>
	<b>24 September</b>	<b>26 September</b>	<b>26 March</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Movement in deficit during period</b>			
Deficit in scheme at beginning of the period	<b>(23.5)</b>	(24.4)	(24.4)
Movement in period:			
Current service cost	<b>(0.2)</b>	-	(0.2)
Net interest cost	<b>(0.4)</b>	(0.4)	(0.8)
Net actuarial losses	<b>(17.9)</b>	(0.1)	0.7
Contributions	<b>0.6</b>	0.7	1.2
<b>Deficit in scheme at end of the period</b>	<b>(41.4)</b>	(24.2)	(23.5)

## 11. BUSINESS COMBINATIONS

On 27 May 2016, the Group purchased an additional 25% of the shares in The Stable Pizza & Cider Limited for £2.7 million, bringing the Group's interest in The Stable Pizza & Cider Limited to 76%. The Group, also paid £0.3 million to the company that formerly held the import and distribution rights to Sierra Nevada products, which had previously been recognised as contingent consideration. One new pub was acquired in the period for £6.5 million.

## 12. PRINCIPAL RISKS AND UNCERTAINTIES

In the course of normal business, the Group continually assesses and takes action to mitigate the various risks encountered that could impact the achievement of its objectives. Systems and processes are in place to enable the Board to monitor and control the Group's management of risk, which are detailed in the Corporate Governance Report of the Annual Report and Financial Statements 2016. The principal risks and uncertainties and their associated mitigating and monitoring controls which may affect the Group's performance in the next six months are consistent with those detailed on pages 22 and 23 of the Annual Report and Financial Statements 2016, and are available on the Fuller's website, [www.fullers.co.uk](http://www.fullers.co.uk).

Following the publishing of the results for the 52 weeks ended 26 March 2016, the UK voted to leave the EU in the referendum on 23 June 2016. The Group is facing increasing headwinds in the light of the political and economic uncertainty following this outcome as highlighted in the Chief Executive's Review. The exact nature, process and timing of the UK's exit from the EU are unknown and could impact freedom of movement of EU nationals; cause fluctuations in foreign exchange rates; lead to changes to input prices and interest rates; and precipitate a slowdown in the UK economy; all of which may impact the Group. The Group continues to plan for the potential outcomes of the UK's exit from the EU, in order to limit any negative impacts on the Group's operations and financial performance.

Health, safety and well-being of employees and customers remains top of the Group's strategic priorities. Managing a large portfolio of houses and sites increases the complexities of ensuring the highest health and safety standards are adhered to. The Group's headquarters and sole brewing facility are located at the Griffin Brewery, therefore safety at this site is key and any disaster would seriously impact profitability.

Fuller's has a wide portfolio of brands and has established a reputation for offering premium products. The way in which we respond to changes in consumer demand is crucial, failure to anticipate these changes and innovate will result in declining market share for the Group. There is a risk that contamination of our products at source or outlet could damage reputation of the brand and impact customers' perceptions of Fuller's as a premium position company. This positioning is key to the success of the business and any change to this would significantly impact the Group's performance.

The success and future of the Group is determined by its key management and staff who adhere to a strong set of values. Should key management leave the Group, or employees fail to uphold Fuller's key principles, this could jeopardise delivery of the Group's strategy.

Fuller's operates in a highly regulated sector and changes in government policy could result in a decline in trade.

The Group is increasingly reliant on its information systems, with any prolonged failure resulting in disruption to operations. Data and systems security is also vital, as any loss of data could result in reputational damage to the Group.

### **13. SHAREHOLDERS' INFORMATION**

Shareholders holding 40p 'C' ordinary shares are reminded that they have 30 days from 18 November 2016 should they wish to convert those 'C' shares to 'A' shares. The next available opportunity after that will be June 2017. For further details please contact the Company's registrars, Computershare on 0370 899 4096.

### **14. HALF YEAR REPORT**

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

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

The Directors confirm, to the best of their knowledge, that this condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer or the undertakings included in the consolidation as a whole and has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union. 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.

By order of the Board

Michael Turner  
*Chairman*

James Douglas  
*Finance Director*

17 November 2016

## **INDEPENDENT REVIEW REPORT TO THE MEMBERS OF FULLER, SMITH & TURNER P.L.C.**

### **Introduction**

We have reviewed the condensed set of financial statements in the half yearly financial report of Fuller, Smith & Turner P.L.C. for the twenty six weeks ended 24 September 2016 which comprises the Condensed Group Income Statement, Condensed Group Statement of Comprehensive Income, Condensed Group Balance Sheet, Condensed Group Statement of Changes in Equity, Condensed Group Cash Flow Statement and the related explanatory notes. We have read the other information contained in the half yearly financial report which comprises the Chairman's Statement and Chief Executive's Review, and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company's members, as a body, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our review work, for this report, or for the conclusion we have formed.

### **Directors' responsibilities**

The half yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority. As disclosed in note 1, the Annual Financial Statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union. Our responsibility is to express a conclusion on the condensed set of financial statements in the half yearly financial report based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half yearly financial report for the twenty six weeks ended 24 September 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

### **Grant Thornton UK LLP**

#### **Auditor**

London

17 November 2016