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UNTIL 7AM FRIDAY 11 JUNE 2010

FULLER, SMITH & TURNER P.L.C.

Financial results for the 52 weeks ended 27 March 2010

Financial Performance

- Revenue up 8% to £227.7 million (2009: £210.0 million)
- Adjusted profit before tax[1] up 17% to £26.6 million (2009: £22.8 million)
- Profit before tax up 86% to £26.8 million (2009: £14.4 million)
- EBITDA[2] of £43.6 million (2009: £40.2 million)
- Adjusted earnings per share[3] up 17% to 34.19p (2009: 29.12p)
- Basic earnings per share[4] up 115% to 34.37p (2009: 16.00p)
- Total annual dividend[4] increased by 12% to 11.00p (2009: 9.85p)

Corporate Progress

- Outstanding performance with adjusted profit before tax[1] up 17%
- Managed Pubs and Hotels like for like sales up 2.7%
- Acquisition of eight Managed Pubs and one Tenanted Inn in London for a total cash consideration of £30.2 million
- Own Beer volumes up 2%
- New £100.0 million five year bank facility

1 *Adjusted profit before tax 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*

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

"I am delighted to report another record set of results for our business in what has been a challenging period for the economy and our industry. Our revenues have grown by 8% to £227.7 million (2009: £210.0 million) and our adjusted profit before tax (excluding exceptional items) has increased by 17% to £26.6 million (2009: £22.8 million). Our adjusted earnings per share increased by 17% to 34.19p (2009: 29.12p).

"We are pleased to report strong results for our Managed Pubs and Hotels, with like for like sales increased by 2.7%, whilst our Tenanted Inns like for like profits declined by 1%. Our Own Beer sales were particularly pleasing, with volumes up 2%.

"We have made a solid start to the new financial year with like for like sales in our Managed Pubs and Hotels growing by 3.5% for the ten weeks to 5 June 2010. For the same period Own Beer volumes are level with last year, with weakness in the UK On Trade market offset by continued growth elsewhere, particularly exports.

"With the UK national debt so large and measures to tackle this through tax rises and public spending cuts now being implemented by the new Government we continue to be very cautious about the outlook for the UK economy. We may technically have emerged from recession and the economy may no longer be contracting, however, with the prospect of personal taxation in our target market rising further and disposable incomes reducing there may be less leisure spend available in real terms. Despite these challenges we consider that we continue to be well placed to compete with a strong balance sheet, excellent brands, and well invested pubs that serve outstanding cask ale and delicious food."

- Ends -

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Notes to Editors

For an official photograph, please e-mail photo@fullers.co.uk and one will automatically be sent by return on receipt of your e-mail.

Copies of this statement, the Preliminary Announcement and results presentation will be available on the Company's website, www.fullers.co.uk.

Attached:

- Chairman's Statement
- Unaudited Condensed Group Income Statement
- Unaudited Condensed Group Statement of Comprehensive Income
- Unaudited Condensed Group Balance Sheet
- Unaudited Condensed Group Statement of Changes in Equity
- Unaudited Condensed Group Cash Flow Statement
- Notes to the Condensed Financial Statements

FULLER, SMITH & TURNER P.L.C.
PRELIMINARY RESULTS FOR THE 52 WEEKS ENDED
27 MARCH 2010

CHAIRMAN'S STATEMENT

Whatever You Do, Take Pride

INTRODUCTION

I am delighted to report another record set of results for our business in what has been a challenging period for the economy and our industry. Our revenues have grown by 8% to £227.7 million (2009: £210.0 million) and our adjusted profit before tax (excluding exceptional items) has increased by 17% to £26.6 million (2009: £22.8 million). Our adjusted earnings per share increased by 17% to 34.19p (2009: 29.12p).

We are pleased to report strong results for our Managed Pubs and Hotels, with like for like sales increased by 2.7%, which combined with the first time contribution from acquired pubs, led to a 25% increase in operating profits before exceptional items in the largest part of our business. Our Tenanted Inns like for like profits declined by 1%, with operating profit before exceptional items down 3%.

The Fuller's Beer Company has also performed well, with operating profits before exceptional items up by 7% to £8.9 million (2009: £8.3 million). Our Own Beer sales were particularly pleasing, with volumes up 2%, increased market share in the UK, and our export business continuing to grow strongly. London Pride remains the leading brand in the premium ale market and is the cask ale of choice in the On Trade.

In these turbulent times, we continued to execute the strategy that has served us well in recent years. We have concentrated on broadening our range of beers by creating exciting new brands whilst maintaining the investment and the levels of innovation in our pubs and adding new properties to the estate.

Our total capital expenditure for the year amounted to £44.1 million, which, excluding 2005 when we purchased George Gale & Co., is the most we have ever invested during a year. £30.2 million of this was spent on nine iconic London freehold pubs, the like of which rarely become available. In addition to these purchases, we have continued to identify and exploit development opportunities within the existing business and we have spent record amounts in extending, repairing and maintaining the fabric of our estate. We have increased our brand marketing activity, benefitting from media price deflation, with record levels of spend translating to even greater exposure. Elsewhere we have sought to control cost which has also been a key contributor to our strong profit growth.

Since the year end, we have announced the arrangement of a new five year £100.0 million unsecured revolving credit facility on competitive and flexible terms, reflecting the strong credit profile of a business backed by freehold property. This funding will enable us to finance further acquisitions, invest across our business and repay our existing bank borrowings which are due to be repaid in November 2010 and which stood at £80.2 million at the year end. We have excellent cash flows, a large fixed asset base of freehold properties, and an exceptionally strong balance sheet with scope for further expansion finance should the opportunity arise.

Despite representations from both our industry and our customers, the former Chancellor continued his inflation busting beer duty increases. In March 2008, the then Chancellor announced a policy to increase duty at a rate of 2% higher than inflation. In the 27 months since this announcement beer duty has increased by more than 26%, whilst retail price inflation over the corresponding period has been only 6%. The duty effect on a pint of beer in our pubs is now over 50p. When other taxes are included the Government now takes 30% of the price of a pint in the pub and on occasions over 100% of the price in the supermarket. The real place where this increase has been felt is in the smaller community pub and the independent off licence shop as the large supermarkets have absorbed the increases across their businesses. It is little wonder that pubs are closing and that beer volumes are under pressure nationally as a result.

We welcome the new Government's policy to address the irresponsible use of alcohol as a traffic builder in supermarkets but urge them to look at the minimum price at which alcohol should be available. Anything else is unlikely to make a significant difference to the harm done by irresponsibly priced alcohol. We look forward to the enactment of meaningful legislation and to a duty regime that is fair and fit for purpose.

FINANCIAL PERFORMANCE

Operating profits before exceptional items grew by 10% to £32.0 million (2009: £29.0 million) with the largest contribution to growth coming from acquired pubs. Despite these purchases being funded by bank borrowings, net finance costs reduced to £5.4 million from £6.2 million as average interest rates fell. This contributed to adjusted profits before tax growing by some 17%. EBITDA increased by 8% to £43.6 million (2009: £40.2 million) and, as a consequence of capital investment, the Group's net debt increased to £107.7 million (2009: £94.2 million). Net debt to EBITDA increased slightly to 2.5 times (2009: 2.3 times). Due to the reduced net finance costs, our interest cover improved to 5.9 times (2009: 4.7 times). Our blended cost of borrowings fell from 5.9% to 4.4%. Next year with new interest rate swaps and caps in place along with the new facilities we estimate that our borrowing costs will be around 4.7%.

Net exceptional profits before tax were £0.2 million, and comprised a profit on the disposal of properties of £1.1 million, a VAT rebate of £0.3 million, offset by net property impairments of £1.0 million and a goodwill impairment charge of £0.2 million. After exceptional items, our profit before tax was therefore £26.8 million (2009: £14.4 million) and our basic earnings per share were 34.37p (2009: 16.00p). Last year, exceptional costs of £8.4 million comprised asset impairment charges of £6.9 million, goodwill impairment of £0.4 million, onerous lease provisions of £0.8 million, and £0.3 million in relation to reorganisation costs.

Tax has been provided for at an effective rate of 28.2% (2009: 28.9%) on adjusted profits.

Although cash contributions to the defined benefit pension scheme totalled £2.1 million, the accounting deficit for defined benefit pensions increased by some £4.3 million to

£12.7 million (2009: £8.4 million). The deficit increased despite the recovery in asset prices as AA corporate bond yields decreased and long term inflation expectations increased substantially.

During the period we did not buy back any shares for treasury (2009: 447,000 'A' ordinary 40p shares repurchased for £1.8 million). 169,000 'A' ordinary 40p shares were purchased for £0.8 million by the Trustees of the Share Incentive Plan and the LTIP Trustees to cover future issuance (2009: 97,000 for £0.4 million).

DIVIDEND

We continue to deliver excellent returns for our shareholders and including the proposed final dividend will increase the annual dividend payable by 12%.

During the year, we chose to rebalance the proportion of the interim and final dividends by paying an increased interim dividend of 4.50p (2009: 2.85p) per 40p 'A' and 'C' ordinary share and 0.45p (2009: 0.285p) per 4p 'B' ordinary share. Unusually, we also paid a second interim dividend in March 2010. This second interim dividend amounted to 5.35p per 40p 'A' and 'C' ordinary share and 0.535p per 4p 'B' ordinary share. We do not intend to pay a second interim dividend in the current financial year.

Having taken into account the level of interim dividends already paid during the year, the Board recommends a final dividend of 1.15p per 40p 'A' and 'C' ordinary share and 0.115p per 4p 'B' ordinary share be paid on 28 July 2010 to shareholders on the share register as at 2 July 2010. The total dividend for the year of 11.00p (2009: 9.85p) per 40p 'A' and 'C' ordinary share and 1.10p (2009: 0.985p) per 4p 'B' ordinary share will be more than three times covered by adjusted earnings per share.

FULLER'S INNS

For the first time this year we are disclosing the results of our Managed Pubs and Hotels and our Tenanted Inns separately. Managed pubs are those which Fuller's operate entirely ourselves – we directly employ all staff – whilst in our Tenanted business, our Tenants run the pubs as entrepreneurs but with our signage and support. Under the terms of our normal lease, or rental agreements, the Tenants are obliged to purchase drinks from Fuller's. Cask ales are very important to our pubs' businesses and we are pleased to report that Cask ale volumes have grown in our own pubs (even before the additional volumes coming from acquisitions).

We acquired eight new Managed Pubs and one Tenanted Inn during the year, and sold one property from each of these divisions which no longer met our criteria. The estate stood at 366 properties on 27 March 2010, seven higher than at the start of the year. Of this number, 203 were tenanted or leased pubs and 163 were managed pubs or hotels.

Managed Pubs and Hotels

Revenues across our Managed Pubs and Hotels business increased by 11%. Like for like sales also rose by 2.7%, the difference being represented by the first time contributions from the eleven acquisitions made since February 2009. Operating profits before exceptional items grew by 25% to £15.8 million (2009: £12.6 million) with the first time contribution of the new pubs augmented by lower utility costs.

The eight freehold houses purchased for the managed estate during the financial year were:

The Scarsdale Tavern, Kensington,
The Swan, Bayswater,
The Red Lion, Westminster,
The Queen's Head, Brook Green,
Ye Olde Mitre, Hatton Garden,
The Hereford Arms, Gloucester Road,
The Round House, Covent Garden
The Holly Bush, Hampstead

Most of these pubs are in areas where we have previously been under represented. Initially we focussed on understanding how these pubs traded whilst we made improvements behind the scenes to staff training, cellars, kitchens and beer dispense which all needed immediate investment. Subsequent to these actions, all of these properties, (with the current exception of the latest purchase, The Holly Bush), have now been sensitively signed as Fuller's houses. We believe that both phases of investment have improved trade and are very pleased with the acquisitions and the progress that we have made with them.

Our Managed Pubs and Hotels benefit from a consistent strategy focused on quality, and we have continued to invest in our pubs and our people to deliver a premium leisure experience. Our trading performance continues to be built on our four pillars of outstanding cask conditioned ales, delicious food, great wines and exemplary service. Quality is the vital ingredient in everything that we do and weakness in the UK economy has not changed our approach.

Management turnover in our business has never been lower than it has been in the last year. A stable management team has been a vital ingredient in our ability to integrate our recent acquisitions with no detriment to the ongoing business. It also enables us to invest capital with confidence that we will achieve our targeted returns. When we make significant investments, we follow three principles, the most important of which is that we must have the right management team in situ. Secondly, we must have a clear understanding of the local market and the specific opportunity that we are targeting, so that finally, we devise a design scheme that helps us attract our new target customer. We have completed several major refurbishment and expansion projects during the year. These include the development of the Hampshire Hog, Clanfield, where we built 20 bedrooms, and transformational projects at The King's Head Wickham and at the Fox and Pelican, Grayshott, two prominent pubs in their areas which had not been invested in for some years. We have also invested substantially at The Anglers, Teddington, which we acquired in February 2009. This involved improvements to the internal customer facing areas and the function room, as well as improved kitchen facilities and upgrading the garden in order to be able to serve fresh food during the busy summer trade that this pub attracts. With each of these investments, we believe that we have substantially improved the offer for our customers.

Food and accommodation remain important growth drivers for our business. Food sales rose by 17% and represented 28% of revenue (2009: 27%), excluding the 12 pubs where food is provided by Thai franchisees. We believe that our focus on locally sourced ingredients, used to create freshly cooked meals, has been a key factor in increasing food sales across the estate. Our customers welcome this commitment to quality.

Despite the weak economy, accommodation revenue declined by only 1% representing 6% of total revenue in the year (2009: 7%). Accommodation remains a major focus with all new and refurbished rooms fitted out to our exacting boutique standards. The quality of finish in these rooms is very high, which enables us to support a premium price. We now have 487 bedrooms across all the properties in the managed estate.

During the year we sold the Brambletye Hotel, Forest Row, as it no longer matched our criteria.

Tenanted Inns

We believe our Tenanted Inns business performed exceptionally well in what has clearly been a difficult environment for the industry and our tenants. Revenues were marginally higher at £26.1 million (2009: £26.0 million) reflecting beer sales in growth but rental income in decline as we reduced rents in line with inflation. Operating profits before exceptional items of £9.9 million (2009: £10.2 million) were 3% lower with rent and increased depreciation charges key factors. Like for like profits, (excluding acquisitions, disposals and closures), were 1% lower.

A successful Tenanted business is a partnership between the property owner and the Tenant. There needs to be a fair split of risk and reward between both parties. The majority of our Tenanted properties carry Fuller's signage that is identical to those in the Managed Estate. To our customers there is no difference and they expect a quality experience in any Fuller's establishment. It is fundamental that our Tenants share our corporate values of Quality Service and Pride and we work closely with our Tenants to promote these values. In the last three years, we have filled 53 permanent vacancies in our Tenanted business. Of these appointments 46 remain in place today. We are succeeding in finding the right partners with whom we are able to build a successful relationship.

The Fuller's cartouche above the door helps our Tenant's business and therefore helps us maintain our performance. Beer and wine sales volumes are crucial and we work hard with Tenants to help them serve beer in the best condition possible and recognise this via our Master Cellarman programme which promotes exceptionally well kept cask ale. More tenants than ever now hold Master Cellarman status.

Where rents are index linked and the index has fallen during the year we have passed on rent reductions. This has caused our rental income to fall but the impact on profits has been mitigated by increased Own Beer volumes and less bad debts.

We understand that on occasion rents need to be reviewed. We are aware of this because we ourselves are obligated under a small number of leases where, as Tenants, we are obliged to pay rents which are not sustainable. These are property issues though, not issues confined to the pubs sector and the Beer Tie. We seek to ensure that each pub has the right level of rent and we will adjust the rent when we believe it does not. Where a business is failing, we believe that the underlying problems need to be addressed. Key issues such as beer duty and supermarket pricing are outside of our control and affect the whole industry. These issues cannot be resolved by rent concessions.

Since the year end we are pleased to report that the BII have given accreditation to our Tenanted Code of Practice. We are one of the first businesses to gain this approval which recognises the transparency and openness of our Tied agreements.

We acquired the freehold of The Railway, Kew in November 2009 where Orchid Group is our free of tie Tenant. We disposed of The Surveyor, West Moseley, and are in the process of marketing eleven further pubs for disposal, of which terms have already been agreed on two since the year end. These properties no longer match our criteria.

THE FULLER'S BEER COMPANY

The Fuller's Beer Company has had a very good year with a 7% increase in operating profit before exceptional items to £8.9 million (2009: £8.3 million) and revenue growth of 7% to £97.9 million (2009: £91.8 million). This was despite the increases in duty referred to earlier and a £0.6 million increase in raw material costs.

Our total Own Beer volumes grew by 2%. We gained share in the UK ale market where our volumes grew by 1% in a market that shrank 5%. In the Off Trade, our volumes grew by 4% in a market that grew by 1%. Our export business, where we continue to make excellent progress developing markets, grew by 13%. This is our fastest growing sector and has benefited from the recent weakness of sterling whilst not being harmed by the aggressive increases in UK beer duty. As both a leading cask ale brewer and pub operator, it is pleasing to report that cask ale, which is only available in the On Trade, continues to grow its share of the draught beer market.

Our business is based on a platform of exceptional beer brands of which London Pride is the largest and most significant to us. We brew more than 20 other beers in Chiswick each year, eleven of which are brewed all year round. Our portfolio, including our seasonal beers such as Red Fox, Festival Mild, and Summer Ale, allows us to offer the breadth of choice now seen in larger specialist ale houses, yet all under either the Fuller's or Gales umbrella, brewed to the same exacting standards of quality, consistency and flavour. In addition to these, we brew fine ales such as 1845, Vintage Ale, and our limited edition Brewers Reserve.

London Pride still leads the premium ale market and has yet again grown its market share. Our sponsorships of the English Golf Union and the London Marathon continue to provide excellent platforms for growing sales and raising brand awareness. The recession has seen media prices fall and we were able to secure high profile media space at competitive prices. We stepped up our marketing activities during the year to benefit from the lower media prices and invested more than we did last year, running television, cinema and poster advertising campaigns.

It has been another good year for our other brands too. Organic Honey Dew continued to show excellent growth, cementing its place as the UK's best selling organic ale. Following great popularity as a seasonal ale in the previous two years we launched Seafarers Ale as a permanent fixture in our range in April 2009. This Gales brew has proved extremely popular and volumes have far exceeded our expectations. The George Gale & Co. brand complements the Fuller's brands on the bar and publicans and customers alike are keen to see them side by side. For every pint of Seafarers sold we make a donation to Seafarers UK, the leading maritime charity. In February 2010 we launched Bengal Lancer India Pale Ale as an exclusive seasonal beer to our Managed and Tenanted Pubs. It was very popular with customers and this exciting new brand has already gained listings in supermarkets in its bottle conditioned version.

During the year, the major capital investment in the Beer Company was the building and opening of our new purpose built warehouse. The Hampshire Distribution Centre is less than one mile from the old Gales Brewery in Horndean and we are pleased to maintain our presence in this area. The Telesales operation for the entire business is now based at the Hampshire Distribution Centre and we have increased the number of people that we employ there. The site has excellent transport links and has already started to give us both logistical benefits and efficiency savings. Planning applications for the redevelopment of the old Brewery have been submitted and we hope that these will be approved and that the disposal of this site will then proceed.

PEOPLE

At the AGM in July, Anthony Fuller will retire as a Non-Executive Director after 47 years service to the Company including 25 years as Chairman from 1982 until 2007. Anthony will remain President of the Company. Tim Turner retired as a Director of the Company on 31 March 2010. Tim joined Fuller's in 1977 and had been on the Board since 1985. Both Anthony and Tim have seen Fuller's through substantial periods of growth and development and have contributed vastly to the success of the business. I thank them on behalf of my colleagues and shareholders for their immense contribution.

On 8 December 2009 Richard Fuller joined the Board as a Director. Richard has been with the Company since 1984 and was appointed Sales Director of the Fuller's Beer Company in 1992. On 1 June 2010 Sir James Fuller Bt joined the Board as a Non-Executive Director. I am delighted to welcome them both to the Board.

A year ago, we acknowledged that the UK economy was in crisis and that in this environment we would not be able to justify a basic pay increase in the Company outside of the minimum wage increase. Despite this news, our employees at all levels have remained totally committed to the business over the year. It is their contributions which add together to produce such outstanding results and to continue to set the bar even higher for future years. I thank them all for their hard work.

The quality of the team and their outperformance of the market is the key factor that has helped us to win the J.P. Morgan, Institute of Family Business Honours Award. The criteria for the Award cover business success, governance and social responsibility. The judges said:

"Fuller's business model has demonstrated outstanding strength throughout the recession, staying true to their core values and premium branding."

"The interaction with employees and longstanding relationships with suppliers exhibit an unrivalled level of trust amongst all those involved in the business, resulting in a true family business ambience."

The judges were looking for a contribution from everybody, and they found it everywhere they looked, and in everyone they met. I am truly proud to lead such a team.

CURRENT TRADING AND PROSPECTS

We have made a solid start to the new financial year with like for like sales in our Managed Pubs and Hotels growing by 3.5% for the ten weeks to 5 June 2010. For the same period Own Beer volumes are level with last year, with weakness in the UK On Trade market offset by continued growth elsewhere, particularly exports.

We have a strong balance sheet and highly cash generative assets and plan to invest a further £12 million of capital expenditure within our existing business during the forthcoming year.

With the UK national debt so large and measures to tackle this through tax rises and public spending cuts now being implemented by the new Government we continue to be very cautious about the outlook for the UK economy. We may technically have emerged from recession and the economy may no longer be contracting, however, with the prospect of personal taxation in our target market rising further and disposable incomes reducing there may be less leisure spend available in real terms. Despite these challenges we consider that we continue to be well placed with a strong balance sheet, excellent brands, and well invested pubs that serve outstanding cask ale and delicious food.

The next Interim Management Statement will be issued on 23 July 2010.

Michael Turner
Chairman
11 June 2010

FULLER, SMITH & TURNER P.L.C.
FINANCIAL HIGHLIGHTS
FOR THE 52 WEEKS ENDED 27 MARCH 2010

	52 weeks ended 27 March 2010 £m	*52 weeks ended 28 March 2009 £m*	***Change***
Revenue	**227.7**	*210.0*	***+8%***
Adjusted profit[1]	**26.6**	*22.8*	***+17%***
Profit before tax	**26.8**	*14.4*	***+86%***
EBITDA[2]	**43.6**	*40.2*	***+8%***
Adjusted earnings per share[3]	**34.19p**	*29.12p*	***+17%***
Basic earnings per share[4]	**34.37p**	*16.00p*	***+115%***
Total annual dividend per share[4]	**11.00p**	*9.85p*	***+12%***
Net debt[5]	**107.7**	*94.2*	
Pro forma net debt / EBITDA[6]	**2.5 times**	*2.3 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 loans, loan notes, debenture stock and preference shares.*
6. *Pro forma net debt/EBITDA is adjusted as appropriate for the pubs acquired in the period.*

FULLER, SMITH & TURNER P.L.C.
UNAUDITED CONDENSED GROUP INCOME STATEMENT
FOR THE 52 WEEKS ENDED 27 MARCH 2010

		52 weeks ended 27 March 2010		
	Note	***Before exceptional items £m***	***Exceptional items £m***	***Total £m***
Revenue	**2**	**227.7**	**-**	**227.7**
Operating costs	**3**	**(195.7)**	**(0.9)**	**(196.6)**
Operating profit		**32.0**	**(0.9)**	**31.1**
Profit on disposal of properties	**3**	**-**	**1.1**	**1.1**
Finance revenue	**4**	**-**	**-**	**-**
Finance costs	**4**	**(5.4)**	**-**	**(5.4)**
Profit before tax		**26.6**	**0.2**	**26.8**
Taxation	**3,5**	**(7.5)**	**(0.1)**	**(7.6)**
Profit for the year attributable to equity shareholders of the Parent Company		**19.1**	**0.1**	**19.2**

		52 weeks ended 28 March 2009		
	Note	*Before exceptional items £m*	*Exceptional items £m*	*Total £m*
Revenue	**2**	210.0	-	210.0
Operating costs	**3**	(181.0)	(8.4)	(189.4)
Operating profit		29.0	(8.4)	20.6
Finance revenue	**4**	0.2	-	0.2
Finance costs	**4**	(6.4)	-	(6.4)
Profit before tax		22.8	(8.4)	14.4
Taxation	**3,5**	(6.6)	1.1	(5.5)
Profit for the year attributable to equity shareholders of the Parent Company		16.2	(7.3)	8.9

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

		2010	*2009*
Per 40p 'A' and 'C' ordinary share		***Pence***	*Pence*
Basic	**6**	**34.37**	16.00
Diluted	**6**	**33.82**	15.83
Adjusted	**6**	**34.19**	29.12
Diluted adjusted	**6**	**33.64**	28.81
Per 4p 'B' ordinary share			
Basic	**6**	**3.44**	1.60
Diluted	**6**	**3.38**	1.58
Adjusted	**6**	**3.42**	2.91
Diluted adjusted	**6**	**3.36**	2.88

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

UNAUDITED CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE 52 WEEKS ENDED 27 MARCH 2010

	Note	***52 weeks ended 27 March 2010 £m***	*52 weeks ended 28 March 2009 £m*
Profit for the year		**19.2**	8.9
Net gains/(losses) on valuation of financial assets and liabilities		**0.9**	(1.8)
Net actuarial losses on pension schemes		**(4.5)**	(3.5)
Tax on components of other comprehensive income	**5**	**1.1**	1.5
Other comprehensive loss for the year, net of tax		**(2.5)**	(3.8)
Total comprehensive income for the year, net of tax, attributable to equity shareholders of the Parent Company		**16.7**	5.1

FULLER, SMITH & TURNER P.L.C.
UNAUDITED CONDENSED GROUP BALANCE SHEET
27 MARCH 2010

	Note	*At 27 March 2010 £m*	*At 28 March 2009 £m*
Non-current assets			
Goodwill		**23.9**	24.1
Property, plant and equipment	**8**	**348.2**	318.7
Investment properties		**9.3**	8.5
Other non-current assets		**0.4**	0.6
Deferred tax assets		**6.1**	5.0
Total non-current assets		**387.9**	356.9
Current assets			
Inventories		**7.6**	6.1
Trade and other receivables		**15.6**	16.0
Cash and short term deposits	**9**	**1.1**	0.9
Total current assets		**24.3**	23.0
Assets classified as held for sale		**0.6**	-
Current liabilities			
Bank loans	**9**	**80.2**	7.5
Loan notes	**9**	**-**	1.3
Debenture stock	**9**	**1.2**	-
Derivative financial liabilities		**0.6**	-
Trade and other payables		**39.7**	33.6
Current tax payable		**3.8**	3.9
Provisions		**0.4**	0.4
Total current liabilities		**125.9**	46.7
Non-current liabilities			
Bank loans	**9**	**-**	57.7
Debenture stock	**9**	**25.8**	27.0
Preference shares	**9**	**1.6**	1.6
Derivative financial liabilities		**-**	1.5
Retirement benefit obligations	**10**	**12.7**	8.4
Deferred tax liabilities		**37.5**	37.6
Provisions		**2.1**	2.4
Total non-current liabilities		**79.7**	136.2
Net assets		**207.2**	197.0
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		**(4.0)**	(5.9)
Hedging reserve		**(0.4)**	(1.1)
Retained earnings		**180.9**	173.3
Total shareholders' equity		**207.2**	197.0

FULLER, SMITH & TURNER P.L.C.
UNAUDITED CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 27 MARCH 2010

	Share capital £m	*Share premium account £m*	*Capital redemption reserve £m*	*Own shares £m*	*Hedging reserve £m*	*Retained earnings £m*	*Total £m*
At 29 March 2008	22.8	4.8	3.1	(6.0)	0.2	172.8	197.7
Profit for the year	-	-	-	-	-	8.9	8.9
Other comprehensive loss for the year	-	-	-	-	(1.3)	(2.5)	(3.8)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(1.3)**	**6.4**	**5.1**
Shares purchased to be held in ESOT or as treasury	-	-	-	(2.2)	-	-	(2.2)
Shares released from ESOT and treasury	-	-	-	2.3	-	(1.8)	0.5
Dividends (note 7)	-	-	-	-	-	(5.4)	(5.4)
Share-based payment charges	-	-	-	-	-	1.4	1.4
Tax charged directly to equity (note 5)	-	-	-	-	-	(0.1)	(0.1)
At 28 March 2009	**22.8**	**4.8**	**3.1**	**(5.9)**	**(1.1)**	**173.3**	**197.0**
Profit for the year	-	-	-	-	-	19.2	19.2
Other comprehensive income/(loss) for the year	-	-	-	-	0.7	(3.2)	(2.5)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**0.7**	**16.0**	**16.7**
Shares purchased to be held in ESOT or as treasury	-	-	-	(0.8)	-	-	(0.8)
Shares released from ESOT and treasury	-	-	-	2.7	-	(1.9)	0.8
Dividends (note 7)	-	-	-	-	-	(9.4)	(9.4)
Share-based payment charges	-	-	-	-	-	2.1	2.1
Tax credited directly to equity (note 5)	-	-	-	-	-	0.8	0.8
At 27 March 2010	**22.8**	**4.8**	**3.1**	**(4.0)**	**(0.4)**	**180.9**	**207.2**

FULLER, SMITH & TURNER P.L.C.
UNAUDITED CONDENSED GROUP CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 27 MARCH 2010

	Note	*52 weeks ended 27 March 2010 £m*	*52 weeks ended 28 March 2009 £m*
Group profit before tax		**26.8**	14.4
Net finance costs		**5.4**	6.2
Exceptional items	**3**	**(0.2)**	8.4
Depreciation		**11.5**	11.0
Loss on disposal of property, plant and equipment		**0.1**	0.2
		43.6	40.2
Difference between pension charge and cash paid		**(1.1)**	(0.8)
Share-based payment charges		**2.1**	1.4
Change in trade and other receivables		**0.6**	-
Change in inventories		**(1.5)**	(0.3)
Change in trade and other payables		**5.0**	1.2
Cash impact of exceptional items	**3**	**0.4**	-
Cash generated from operations		**49.1**	41.7
Tax paid		**(7.0)**	(3.7)
Cash generated from operating activities		**42.1**	38.0
Cash flow from investing activities			
Purchase of property, plant and equipment		**(44.1)**	(24.2)
Sale of property, plant and equipment		**2.4**	0.5
Interest received		**-**	0.2
Net cash outflow from investing activities		**(41.7)**	(23.5)
Cash flow from financing activities			
Purchase of own shares		**(0.8)**	(2.2)
Receipts on release of own shares to option schemes		**0.8**	0.5
Interest paid		**(4.4)**	(6.0)
Preference dividends paid	**7**	**(0.1)**	(0.1)
Equity dividends paid	**7**	**(9.4)**	(5.4)
Drawdown of bank loans		**22.5**	2.5
Repayment of loan notes		**(1.3)**	(0.5)
Repayment of bank loans		**(7.5)**	(6.3)
Net cash outflow from financing activities		**(0.2)**	(17.5)
Net movement in cash and cash equivalents		**0.2**	(3.0)
Cash and cash equivalents at the start of the year		**0.9**	3.9
Cash and cash equivalent at the end of the year	**9**	**1.1**	0.9

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 27 MARCH 2010

1. PRELIMINARY STATEMENT

The financial information set out in this preliminary statement was approved by the Board on 11 June 2010.

This statement does not constitute full financial statements as defined by Section 435 of the Companies Act 2006. Full financial statements for the 52 weeks ended 28 March 2009, 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 rounded to the nearest hundred thousand pounds (£m), 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 27 March 2010, which will be mailed to shareholders on or before 25 June 2010 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 unaudited 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 2009 financial statements, and in accordance with applicable accounting standards, except for the adoption of the following new accounting standards as of 29 March 2009, as detailed below.

<u>IFRS 2 Share-based Payment - Vesting Conditions and Cancellations</u>
This standard has been amended to clarify the definition of vesting conditions and cancellations. The adoption of this amendment required the Group to recalculate the cumulative share based payment expense for outstanding share scheme grants but this did not have a significant effect on the financial position or performance of the Group.

<u>IFRS 7 Financial Instruments (amendment)</u>
The amended standard requires additional disclosures of fair value measurement and liquidity risk. Fair value measurements relating to items carried at fair value are to be disclosed by the reliability of the source of inputs using a three level fair value hierarchy, for all financial instruments recognised at fair value. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.

<u>IFRS 8 Operating Segments</u>
This standard requires disclosure on segments to be based on information presented to the Board. Adoption of this standard did not have any effect on the financial position or performance of the Group. The Group has reviewed its operating segments and has now split the Fuller's Inns division into the Managed Pubs and Hotels and Tenanted Inns operating segments and as such prior period information also shows the two segments separately. Additional disclosure on the segments is shown in note 2.

<u>IAS 1 Revised Presentation of Financial Statements</u>
This revised standard separates owner and non-owner changes in equity. The statement of changes in equity is now shown as a primary statement. The Group has chosen to present the new "Statement of

1. PRELIMINARY STATEMENT *(continued)*

Comprehensive Income" as a linked statement to the Income Statement rather than as one single statement.

IAS 23 Borrowing Costs (revised)
This revised standard requires directly attributable borrowing costs in connection with the acquisition or construction of certain assets to be capitalised. Previously this was optional and the Group has expensed these costs when incurred, except where connected to longer term development projects. In accordance with the transitional requirements this has been adopted prospectively and therefore borrowing costs on qualifying assets have been capitalised from 29 March 2009.

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
- 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 Chairman's Statement. 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 27 March 2010	**Managed Pubs and Hotels** *£m*	**Tenanted Inns** *£m*	**Fuller's Beer Company** *£m*	**Unallocated[1]** *£m*	**Total** *£m*
Revenue					
Segment revenue	137.9	26.1	97.9	-	261.9
Inter-segment sales	-	-	(34.2)	-	(34.2)
Revenue from third parties	**137.9**	**26.1**	**63.7**	**-**	**227.7**
Segment result	**15.8**	**9.9**	**8.9**	**(2.6)**	**32.0**
Operating exceptional items					(0.9)
Operating profit					**31.1**
Profit on disposal of properties					1.1
Net finance costs					(5.4)
Profit before tax					**26.8**

2. SEGMENTAL ANALYSIS *(continued)*

52 weeks ended 28 March 2009 (restated[2])	Managed Pubs and Hotels *£m*	Tenanted Inns *£m*	Fuller's Beer Company *£m*	Unallocated[1] *£m*	Total *£m*
Revenue					
Segment revenue	124.0	26.0	91.8	-	241.8
Inter-segment sales	-	-	(31.8)	-	(31.8)
Revenue from third parties	**124.0**	**26.0**	**60.0**	**-**	**210.0**
Segment result	**12.6**	**10.2**	**8.3**	**(2.1)**	**29.0**
Operating exceptional items					(8.4)
Operating profit					**20.6**
Net finance costs					(6.2)
Profit before tax					**14.4**

[1] *Unallocated expenses represent primarily the salary and costs of central management.*
[2] *Segmental analysis for the 52 weeks ended 28 March 2009 has been restated as a result of the adoption of IFRS 8, Operating Segments, to show Managed Pubs and Hotels and Tenanted Inns as separate operating segments (note 1).*

3. EXCEPTIONAL ITEMS

	52 weeks ended 27 March 2010 £m	*52 weeks ended 28 March 2009 £m*
Amounts included in operating profit:		
Impairment of properties	**(2.0)**	(6.9)
Reversal of impairment	**1.0**	-
Impairment of goodwill	**(0.2)**	(0.4)
VAT repayment	**0.3**	-
Onerous lease charge	**-**	(0.8)
Reorganisation costs	**-**	(0.3)
	(0.9)	(8.4)
Profit on disposal of properties	**1.1**	-
Total exceptional items before tax	**0.2**	(8.4)
Exceptional tax:		
Profit on disposal of properties	**(0.3)**	-
Operating expenses	**0.2**	2.3
Phased withdrawal of Industrial Buildings Allowances (note 5)	**-**	(1.2)
Total exceptional tax	**(0.1)**	1.1
Total exceptional items	**0.1**	(7.3)

The property impairment charge of £2.0 million during the 52 weeks ended 27 March 2010 relates to the write down of licensed properties to their recoverable value. The reversal of impairment credit of £1.0 million during the 52 weeks ended 27 March 2010 relates to the write back of previously impaired

3. EXCEPTIONAL ITEMS *(continued)*

licensed properties to their recoverable value. The charge of £6.9 million during the 52 weeks ended 28 March 2009 represents a £6.2 million write down of licensed properties and a £0.7 million write down of investment properties to their recoverable value.

The goodwill impairment charge of £0.2 million during the 52 weeks ended 27 March 2010 (2009: £0.4 million) relates to the write down of goodwill in relation to the Jacomb Guinness cash-generating unit where the total asset values exceeded their value in use.

The VAT repayment income of £0.3 million during the 52 weeks ended 27 March 2010 relates to the reclaim of VAT overpaid in previous years.

The profit on disposal of properties of £1.1 million during the 52 weeks ended 27 March 2010 relates to the disposal of five licensed and unlicensed properties.

The onerous lease charge of £0.8 million during the 52 weeks ended 28 March 2009 relates to additional provisions made in respect of leasehold properties.

The reorganisation costs of £0.3 million during the 52 weeks ended 28 March 2009 were incurred within Managed Pubs and Hotels and the Fuller's Beer Company and relate principally to staff costs.

The cash impact of exceptional items before tax for the 52 weeks ended 27 March 2010 was £0.4 million cash inflow (2009: £nil).

4. FINANCE REVENUE AND FINANCE COSTS

	52 weeks ended 27 March 2010 £m	*52 weeks ended 28 March 2009 £m*
Interest receivable from:		
Cash and cash equivalents	**-**	0.2
Finance revenue	**-**	0.2
Interest expense arising on:		
Financial liabilities at amortised cost – borrowings	**4.3**	5.7
Financial liabilities at amortised cost – preference shares	**0.1**	0.1
Total interest expense for financial liabilities	**4.4**	5.8
Finance charge on net pension liabilities	**0.9**	0.3
Unwinding of discounts on provisions	**0.1**	0.3
Finance costs	**5.4**	6.4

5. TAXATION

	52 weeks ended 27 March 2010 £m	*52 weeks ended 28 March 2009 £m*
Tax on profit on ordinary activities		
Current income tax:		
Corporation tax	**8.1**	6.8
Amounts over provided in previous years	**(1.0)**	-
Total current income tax	**7.1**	6.8
Deferred tax:		
Origination and reversal of temporary differences	**(0.4)**	(2.5)
Amounts under provided in previous years	**0.9**	-
Charge due to withdrawal of Industrial Buildings Allowances (note 3)	**-**	1.2
Total deferred tax	**0.5**	(1.3)
Total tax charged in the Income Statement	**7.6**	5.5
Tax relating to items charged/(credited) to Statement of Comprehensive Income		
Deferred tax:		
Net gains/(losses) on valuation of financial assets and liabilities	**0.2**	(0.5)
Net actuarial losses on pension scheme	**(1.3)**	(1.0)
Tax credit included in the Statement of Comprehensive Income	**(1.1)**	(1.5)
Tax relating to items (credited)/charged directly to equity		
Deferred tax:		
Reduction in deferred tax liability due to indexation	**(0.5)**	-
Share-based payments	**(0.1)**	0.3
Current tax:		
Share-based payments	**(0.2)**	(0.2)
Tax (credit)/charge included in the Statement of Changes in Equity	**(0.8)**	0.1

6. EARNINGS PER SHARE

	52 weeks ended 27 March 2010	*52 weeks ended 28 March 2009*
	£m	*£m*
Profit attributable to equity shareholders	**19.2**	8.9
Exceptional items net of tax	**(0.1)**	7.3
Adjusted earnings attributable to equity shareholders	**19.1**	16.2
	Number	*Number*
Weighted average share capital	**55,858,000**	55,624,000
Dilutive outstanding options and share awards	**914,000**	613,000
Diluted weighted average share capital	**56,772,000**	56,237,000
40p 'A' and 'C' ordinary share	*Pence*	*Pence*
Basic earnings per share	**34.37**	16.00
Diluted earnings per share	**33.82**	15.83
Adjusted earnings per share	**34.19**	29.12
Diluted adjusted earnings per share	**33.64**	28.81
4p 'B' ordinary share		
Basic earnings per share	**3.44**	1.60
Diluted earnings per share	**3.38**	1.58
Adjusted earnings per share	**3.42**	2.91
Diluted adjusted earnings per share	**3.36**	2.88

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 1,125,936 (2009: 1,360,363).

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 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.

7. DIVIDENDS

	52 weeks ended 27 March 2010 £m	*52 weeks ended 28 March 2009 £m*
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend for 2009: 7.00p (2008: 6.90p)	**3.9**	3.8
First interim dividend for 2010: 4.50p (2009: 2.85p)	**2.5**	1.6
Second interim dividend for 2010*: 5.35p (2009: nil)	**3.0**	-
Equity dividends paid	**9.4**	5.4
Dividends on cumulative preference shares (note 4)	**0.1**	0.1
Proposed for approval at the AGM		
Final dividend for 2010: 1.15p (2009: 7.00p)	**0.6**	3.9

** The second interim dividend was paid on 5 March 2010. The Directors do not intend to pay a second interim dividend in the next financial year. The proposed final dividend for 2010 has taken into account the level of interim dividends already paid during the year.*

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

	Land & buildings £m	*Plant, machinery & vehicles £m*	*Containers, fixtures & fittings £m*	*Total £m*
Cost				
At 29 March 2008	279.6	25.1	76.6	381.3
Additions	13.2	2.2	7.4	22.8
Disposals	(0.4)	(0.2)	(1.6)	(2.2)
Transfer from assets held for sale	1.8	-	0.1	1.9
At 28 March 2009	**294.2**	**27.1**	**82.5**	**403.8**
Additions	35.2	1.8	7.9	44.9
Disposals	(1.6)	(0.5)	(1.2)	(3.3)
Transfer to investment properties	(1.2)	-	-	(1.2)
Transfer to assets held for sale	(0.5)	-	-	(0.5)
At 27 March 2010	**326.1**	**28.4**	**89.2**	**443.7**
Depreciation and impairment				
At 29 March 2008	10.8	15.3	43.1	69.2
Provided during the year	1.8	1.4	7.8	11.0
Impairment loss	6.1	-	0.1	6.2
Disposals	-	(0.2)	(1.2)	(1.4)
Transfer from assets held for sale	0.1	-	-	0.1
At 28 March 2009	**18.8**	**16.5**	**49.8**	**85.1**
Provided during the year	1.8	1.5	8.2	11.5
Impairment loss net of reversals	1.0	-	-	1.0
Disposals	(0.7)	(0.5)	(0.8)	(2.0)
Transfer to assets held for sale	(0.1)	-	-	(0.1)
At 27 March 2010	**20.8**	**17.5**	**57.2**	**95.5**
Net book value at 27 March 2010	**305.3**	**10.9**	**32.0**	**348.2**
Net book value at 28 March 2009	275.4	10.6	32.7	318.7
Net book value at 29 March 2008	268.8	9.8	33.5	312.1

During the 52 weeks ended 27 March 2010, the Group recognised an impairment loss of £2.0 million (2009: £6.2 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 high individual asset prices in the market at the point of acquisition based on anticipated higher growth rates than are now expected and 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 £1.0 million have been recognised during the 52 weeks ended 27 March 2010.

9. ANALYSIS OF NET DEBT

52 weeks ended 27 March 2010	***At 28 March 2009 £m***	***Cash flows £m***	***Non-cash flows £m***	***At 27 March 2010 £m***
Cash and cash equivalents:				
Cash and short term deposits	**0.9**	**0.2**	**-**	**1.1**
Debt due within one year:				
Bank loans	**(7.5)**	**7.5**	**(80.2)**	**(80.2)**
Debenture stock	**-**	**-**	**(1.2)**	**(1.2)**
Loan notes	**(1.3)**	**1.3**	**-**	**-**
	(8.8)	**8.8**	**(81.4)**	**(81.4)**
Debt due after one year:				
Bank loans	**(57.7)**	**(22.5)**	**80.2**	**-**
Debenture stock	**(27.0)**	**-**	**1.2**	**(25.8)**
Preference shares	**(1.6)**	**-**	**-**	**(1.6)**
	(86.3)	**(22.5)**	**81.4**	**(27.4)**
Net debt	**(94.2)**	**(13.5)**	**-**	**(107.7)**

52 weeks ended 28 March 2009	*At 29 March 2008 £m*	*Cash flows £m*	*Non-cash flows £m*	*At 28 March 2009 £m*
Cash and cash equivalents:				
Cash and short term deposits	3.9	(3.0)	-	0.9
Debt due within one year:				
Bank loans	(6.3)	6.3	(7.5)	(7.5)
Loan notes	(1.8)	0.5	-	(1.3)
	(8.1)	6.8	(7.5)	(8.8)
Debt due after one year:				
Bank loans	(62.7)	(2.5)	7.5	(57.7)
Debenture stock	(27.0)	-	-	(27.0)
Preference shares	(1.6)	-	-	(1.6)
	(91.3)	(2.5)	7.5	(86.3)
Net debt	(95.5)	1.3	-	(94.2)

10. RETIREMENT BENEFIT OBLIGATIONS

The amount included in the Balance Sheet arising from the Group's obligations in respect of its defined benefit retirement plan	***At 27 March 2010 £m***	*At 28 March 2009 £m*
Fair value of plan assets	**71.1**	52.1
Present value of scheme liabilities	**(83.8)**	(60.5)
Deficit in the scheme	**(12.7)**	(8.4)

Key financial assumptions used in the valuation of the scheme		
Rate of increase in salaries	**4.00%**	3.20%
Rate of increase in pensions in payment	**3.50%**	2.70%
Discount rate	**5.60%**	6.70%
Inflation assumption	**3.50%**	2.70%

Mortality assumptions

The mortality assumptions used in the valuation of the plan as at 27 March 2010 are as set out in the financial statements for the 52 weeks ended 28 March 2009.

	At 27 March 2010 £m	*At 28 March 2009 £m*
Value of assets in the scheme		
Bonds – Government	**-**	10.1
Bonds – Corporate	**18.9**	9.9
Equities	**47.3**	27.6
Property	**1.0**	0.7
Cash	**2.9**	3.0
Annuities	**1.0**	0.8
Total market value of assets	**71.1**	52.1
Movements in the fair value of scheme assets during the year		
Fair value at beginning of the year	**52.1**	61.2
Expected return on scheme assets	**3.1**	3.8
Actuarial gains/(losses)	**15.5**	(13.7)
Employer contributions	**1.6**	1.7
Employer special contributions	**0.5**	0.5
Employee contributions	**0.6**	0.6
Benefits paid	**(2.3)**	(2.0)
Fair value at the end of the year	**71.1**	52.1
Movement in the present value of defined benefit obligations during the year		
Present value of obligation at beginning of the year	**(60.5)**	(66.6)
Service cost	**(1.0)**	(1.4)
Interest cost	**(4.0)**	(4.1)
Employee contributions	**(0.6)**	(0.6)
Benefits paid	**2.3**	2.0
Actuarial (losses)/gains	**(20.0)**	10.2
Present value of obligation at the end of the year	**(83.8)**	(60.5)

11. SHAREHOLDERS' INFORMATION

Shareholders holding 40p 'C' ordinary shares are reminded that they have 30 days from 11 June 2010 should they wish to convert those 'C' shares to 'A' shares. The next available opportunity after that will be November 2010. For further details please contact the Company's registrars, Computershare on 0870 702 0003.

12. POST BALANCE SHEET EVENT

New Bank Facility
In May 2010 Fuller, Smith & Turner P.L.C. entered into a new unsecured £100 million bank facility to replace its existing facilities which are due to expire in November this year. The facility has a five year term expiring in May 2015, has no amortisation requirements and provides £18 million of additional funding above the amount currently available under the existing facility. The new facility may be drawn down and the existing facility repaid at any time from the date of the agreement, on 12 May 2010, up until the expiry of the existing facility in November 2010.

13. PRINCIPAL RISKS AND UNCERTAINTIES

Regulatory Risks
Regulation of the Sale of Alcohol
We operate within a heavily regulated industry and there is always the risk that the Government may change regulations in a manner that may adversely affect us. Notably, in the past 27 months UK alcohol excise duties have been increased by more than 26% and the duty escalator introduced by the previous Government, unless abandoned, will further raise alcohol duties annually at a rate of 2% above the rate of inflation. There is a risk that continued inflation busting duty increases may depress sales or reduce margins in our industry. The new Coalition Government has announced a new bill which will introduce legislation to tackle below cost selling in the Off Trade.

Beer Tie
The Beer Tie continues to be the subject of much debate and scrutiny despite the fact that there have now been no less than 19 formal inquiries into the Tie since 1966. All of these reviews have concluded that the Tie is fit for purpose. We strongly believe that the vertically integrated model of the Regional Brewers, of which Fuller's is one, is in the best interests of the licensees, consumers and the Group. As part of the BBPA we have worked with the British Institute of Innkeeping (BII) to help develop the Pub Industry Framework Code of Practice which we believe will improve the transparency and openness of Tied agreements. Since the year end we have gained BII accreditation for our Tenanted Code of Practice. However, there remains a risk that other authorities will interfere with this process and that the Beer Tie may be abolished. We believe that under the current model rent for a tied tenant is lower than a free of tie tenant and that any change to legislation would result in higher rental income than is currently achieved.

Health and Safety
The health and safety of the Group's employees and customers is a key concern to us. We report and investigate accidents and we monitor near misses. In order to reduce the risk of kitchen fires in our Managed Pubs and Hotels we have installed automatic fire suppression systems in each kitchen during the last year. A Health and Safety Committee is in place in order to oversee the operation of the Group's numerous 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.

13. 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 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 £0.5 million in the 52 weeks ended 27 March 2010 and have agreed with the trustees to make further annual additional contributions of £0.5 million in order to reduce the deficit further. A formal triennial valuation of the defined benefit scheme is to be carried out in the next 12 months and the Group and the trustees will review contribution rates in the light of this.

Economic and Market Conditions
Strength of the Economy
As part of the leisure industry, we remain 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. However, continued inflation, allied to rises in unemployment, real terms pay reductions, and increases to interest rates or taxes are likely to reduce consumer spending in the future. Whilst the economy itself has been in recession during the past financial year, we have performed well. A number of factors have contributed to this; unemployment increases have been less than expected; despite low inflation there have been no pay freezes yet in the public sector; and the economy has benefited from record low interest rates and a fiscal stimulus programme.

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 and we maintain close relationships with them. However, the weak economic climate increases the risk of a supplier failure, therefore we continually review contingency plans in the event of a failure in supply. Brewing is an energy intensive process and we rely upon continuity of supply to Chiswick.

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.

13. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Consumer Trends
In the UK, consumption of alcoholic beverages 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.

Operational Risks
Griffin Brewery Site
The Group's head quarters 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 a variety of formal and informal arrangements in place to use alternative facilities, but such measures cannot fully replicate the Chiswick operations.

Brands and Reputation
Fuller's has a range of strong brands and has established an excellent reputation in the market. There is therefore an ever present risk to the business from incidents which could materially damage the reputation of one or more of these brands or from a failure to sustain their appeal to customers. It is impossible to plan for every eventuality, however the Group's risk register is regularly updated and there is a robust system of internal controls, as detailed in the Corporate Governance report. In particular, 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 this risk to an acceptable level by ensuring that the business is operated to the highest standards with 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 on-site technical support.

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 policies in place to ensure that in the event of an issue normal trading would be restored quickly, incorporating a formal Disaster Recovery Plan, a system of back-ups and external support for hardware and software.