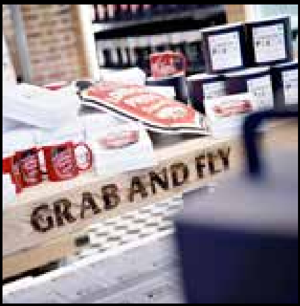
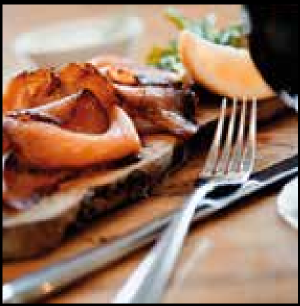
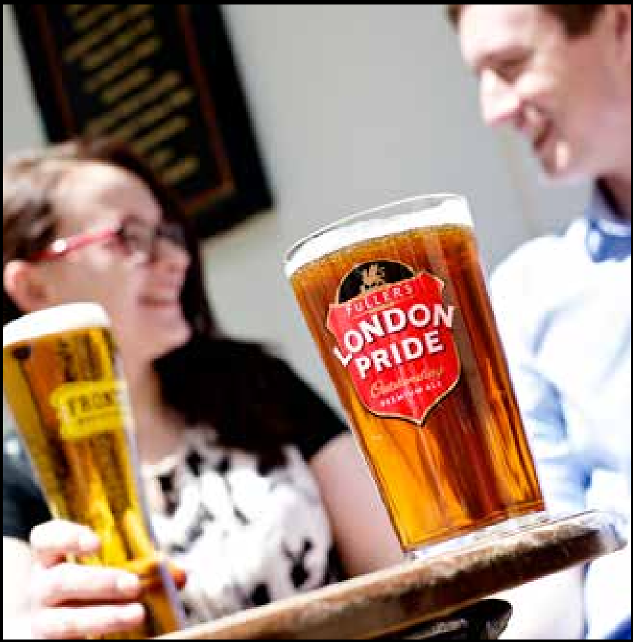
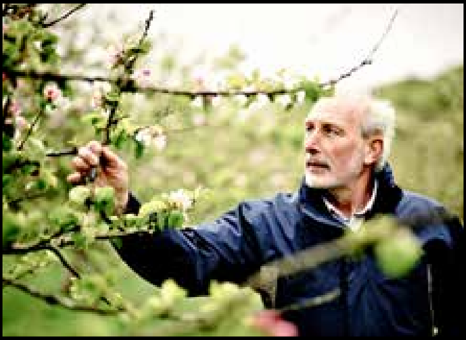
Quality, Service and Pride
Every hour, every day

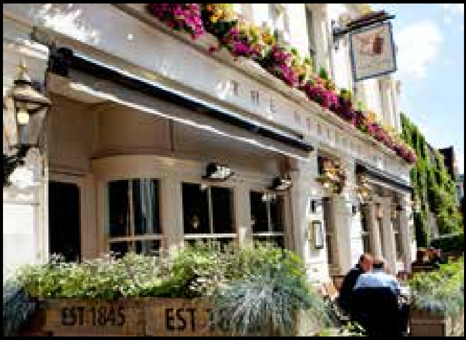
Fuller Smith & Turner P.L.C.
Half Year Report for the 26 weeks ended 27 September 2014











INDEPENDENT FAMILY BREWERS
ESTD 1845
GRIFFIN BREWERY
FULLER'S
CHISWICK

Corporate Progress

- An excellent first half for the Group
- Adjusted earnings per share up 12%
- Adjusted profit up 8%
- Interim dividend up 10%
- Strong like for like sales growth of 6.5% in Managed Pubs and Hotels
- Tenanted Inns like for like profits increased by 5%
- Total beer and cider volumes rose by 6%
- Acquired 51% of The Stable, craft cider and gourmet pizza business

FULLER SMITH & TURNER P.L.C.
Financial Highlights
For the 26 weeks ended 27 September 2014

	Unaudited 26 weeks ended 27 September 2014 £m	Unaudited 26 weeks ended 28 September 2013 £m	Change 2014/2013	Audited 52 weeks ended 29 March 2014 £m
Revenue	161.6	146.3	10%	288.0
Adjusted profit[1]	19.6	18.1	8%	34.1
Adjusted earnings per share[2]	27.67p	24.79p	12%	46.94p
EBITDA[3]	30.7	28.1	9%	54.5
Dividend per share[4]	6.40p	5.80p	10%	15.10p
Net debt[5]	155.9	131.4		139.8
Pro forma net debt/EBITDA[6]	2.6 times	2.5 times		2.5 times

1. Adjusted profit is the profit before tax excluding exceptional items. Statutory profit before tax was £18.3 million (2013: £16.8 million).
2. 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. Basic earnings per share were 25.33p (2013: 28.71p).
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 adjusted as appropriate for acquisitions and disposals in the period.

Chairman's Statement

"Our strong financial position has enabled us to continue our programme of acquisitions and redevelopments, providing growth opportunities for the future."

I am delighted to announce a very strong set of results for the first half of this year across all parts of the business and I would like to congratulate the team on delivering such a good performance. We continue to focus on a very clear vision to create and operate the most stylish pubs and hotels whilst brewing Britain's most coveted premium brands for discerning customers both at home and abroad – and that focus is generating strong returns.

Total revenue for the Group has increased by 10% to £161.6 million (2013: £146.3 million), and this has resulted in adjusted profit before tax rising by 8% to £19.6 million (2013: £18.1 million). Adjusted earnings per share, the key measure for our shareholders, have risen by 12% to 27.67p (2013: 24.79p).

The Managed Pubs and Hotels business has seen like for like sales rise by 6.5%, significantly ahead of the industry average, while profit[1] is up by 13%. Our strong financial position has enabled us to continue our programme of acquisitions and redevelopments, providing growth opportunities for the future.

Food sales, a key driver of growth, have risen by 14% as we pursue our goal of being as famous for our food as we are for our beers. Our pubs offer an unequalled range of premium brands and our customer service is underpinned by hiring the best people, training them to an exceptional standard and rewarding the behaviours that encourage our customers to return again and again.

The Tenanted division has also had a very strong six months. Profits[1] have risen by 5% on a like for like basis and 2% in total. We continue to invest in our pubs and, as a Company, we firmly believe we benefit from having a balanced Managed and Tenanted estate.

The Fuller's Beer Company has also made good progress, with total beer and cider volumes up 6% on last year and profit[1] up 3% to £4.1 million (2013: £4.0 million). The addition of Sierra Nevada further strengthened our premium portfolio and the investments in our brewery in Chiswick and the Cornish Orchards cider farm in Duloe, Cornwall, have provided necessary additional capacity. We welcome the Chancellor's decision to make a second small reduction in beer duty which, when combined with the scrapping of the duty escalator, benefits the consumer and is clearly also having a positive effect on British brewing, British pubs and employment in our sector.

Dividend

The Board is pleased to announce an increase of 10% in the interim dividend to 6.40p (2013: 5.80p) per 40p 'A' and 'C' ordinary share and 0.64p (2013: 0.58p) per 4p 'B' ordinary share. This will be paid on 2 January 2015 to shareholders on the share register as at 5 December 2014.

Michael Turner

Michael Turner
Chairman

20 November 2014

[1]Operating profit before exceptional items.

Chief Executive's Review

"Our business has a clear vision and long term strategy. The result of this is another significant increase in sales and profit."

It has been an exciting six months for the Company and I am pleased to report a strong operational performance in our existing business combined with striking new long term investments for the future.

Our business has a clear vision and long term strategy focusing on recruiting and developing the best people, enhancing our premium drinks portfolio, continuous investment in our estate and developing our range of freshly-made seasonal dishes. The result of this strategy is another significant increase in sales and profit.

But as well as having a clear strategy, we have also been able to respond to the shifting dynamics of the customer. Today's consumer is more astute, expects higher standards and has more choice than ever as to where to spend their leisure pound. It is our anticipation of this changing consumer, and our ability to evolve accordingly, that has produced consistently industry leading results. In turn, our continued commitment to invest in our people, properties, brands, food and IT will keep us ahead of the game.

As we develop our estate further, there have been some notable highlights. One is the opening of London's Pride, our first airport pub at Heathrow Terminal 2, which has traded well and has introduced us to a new style of operation. In addition, we have acquired three managed freehold pubs, one in London and two further expanding our trading area into the South and West. And last, but by no means least, we are also delighted to have acquired a 51% share in The Stable – a craft cider and gourmet pizza business that offers excellent development potential.

Fuller's Inns

Fuller's Inns has had a very strong six months, with like for like sales in the Managed Pubs and Hotels business rising by 6.5% and like for like profits in the Tenanted Division rising by 5%. It is particularly pleasing to see both models of running a pub under the Fuller's name doing so well. At the period end, we had 387 pubs in total – of these, 182 are Managed and 205 are in our Tenanted estate.

We have continued to invest in our estate, spending £10.5 million during the period on capital expenditure in our existing business. In addition, we spent £20.6 million acquiring new pubs and the 51% holding in The Stable craft cider and gourmet pizza restaurants.

During the period, we purchased three new managed sites and opened a fourth. The Bull Hotel in Dorset's Bridport, with its 19 boutique bedrooms, is a great addition to our estate and came as part of The Stable acquisition. The Windmill Inn, Portishead, is a well-known food pub with 450 covers, overlooking the Severn Estuary, and The Harp is an iconic pub in Covent Garden, a previous winner of CAMRA's Pub of the Year title and famous for its wide selection of real ales. In addition, we opened our first airport pub, London's Pride at Terminal 2, Heathrow, where we are pleased with its initial progress.

Managed Pubs and Hotels

Our Managed Pubs and Hotels have continued to deliver strong returns, with total revenues increasing by 13% to £106.4 million (2013: £94.4 million). Total like for like sales rose by 6.5%, with one of the key drivers being a rise in like for like food sales of 7.7%. Accommodation also continued to perform well, with like for like sales rising by 10.4% across our 641-strong boutique bedroom portfolio. These figures come on the back of an 8.3% uplift in like for like sales last year, showing strong continued momentum.

As a result of this, profits[2] rose by 13% to £14.3 million (2013: £12.6 million) and we also saw our operating margin expand from 13.3% to 13.4%, mainly due to improved gross margins on food and drink, which more than offset the additional investment we made in refurbishments.

This robust financial position enabled us to continue to invest in our estate. This has resulted in 80 weeks of closures during the period (2013: 29) – but this is more than justified by the return we are seeing when the pubs reopen. The costs expensed as part of the schemes also grew £0.6 million to £4.2 million in addition to the £9.6 million of capital invested. We anticipate at least another 29 weeks of closures during the second half of the year as we continue with our redevelopment programme and invest in sustaining our good rates of return. Newly refurbished pubs that have opened during the first six months of the year include The Distillers in Hammersmith, The Duke of York in Tunbridge Wells, The Doric Arch in Euston Station and the Fox & Hounds in Lyndhurst, Hampshire, to name but a few.

We were delighted to pick up two awards at the Restaurant and Bar Design Awards during the period for The Vintry, near Cannon Street in the City of London, and for The Tap on the Line at Kew Gardens station. This is great recognition for the focus and attention to detail that goes into our pub redevelopments. However, it's not just the awards that provide the proof of a successful plan – and our refurbished pubs are driving up our like for like sales performance.

The recruitment, training and development of our people continues to take centre stage for front of house, management and kitchen staff. During the period, we launched a new recruitment portal, which has already resulted in 8,000 completed applications and the hiring of 840 new team members. Once we have recruited the right people, we train and encourage them to deliver the service culture that is essential to our business success and then we recognise and reward accordingly.

Our Five Golden Rules of customer service are embedded throughout the business, and we have also continued with our Service Coach programme. These team members are the best in our business at looking after our customers and developing the same skills in newer team members. We now have 59 Service Coaches in our estate. Our people are the backbone of our business and by hiring, training and retaining the right team members, we will continue to deliver our strategy of a distinctive pub and hotel experience for all our customers.

We are delighted to see another strong increase in food sales – one of the key drivers of our growth. We have continued to work with a small number of excellent suppliers to highlight "hero" ingredients that relate to the season and provide a hook for food campaigns. This has produced some great narrative that can be used to talk about our food – such as the stories about the fishermen who supply our crabs or our purchase of a whole field of strawberries. Having identified the Hampshire farm we wanted to work with and the quality of strawberry we needed, we committed to buying the entire crop of one field to satisfy demand during that summer.

This food success is the culmination of over four years of investment in a larger food team, better supplier selection, a clearer focus by the pubs on the importance of food and better recruitment and training of chefs and kitchen teams. The last six months has also seen increased focus on the way in which we market our food and this too has made a positive contribution. Our menus have more relevance to the location and clientele of the individual pub than ever before and our dishes are more closely linked to the seasonal availability of ingredients. The whole package has come together and has moved the perception of food in Fuller's to a new level.

The Stable

At the beginning of this financial year, we purchased a 51% stake in The Stable – a craft cider and gourmet pizza business. This thriving, fledgling business was already building a great reputation locally and took us into new geographical territory with its six sites, all in the South West. Twenty years ago we developed the highly successful Ale & Pie concept and we believe The Stable is the opportunity to do something similar – this time with cider and pizza.

The concept appeals to a more female, younger demographic than our traditional estate and we were delighted to open a seventh site – in Falmouth – during the period. While the concept is still very much run by founders Richard and Nikki Cooper, our investment is helping the business to grow, targeting prosperous towns and cities as it spreads out from its South West heartland. We have already secured a site in Plymouth and we have three more in advanced stages of negotiation.

We are delighted with the progress so far and we know that the business is highly scalable, offering great growth potential and giving us access to a new customer base. In addition, our multi-site experience has added depth to the management team and we are excited about the future prospects for this business.

[2] Operating profit before exceptional items.

Tenanted Inns

Our Tenanted estate also had a good start to the year, with like for like profits rising by 5% and total profits[3] rising by 2% to £6.3 million (2013: £6.2 million). At £16.0 million, revenue is in line with the prior year, as a result of pub disposals during the last 12 months. In addition, the average EBITDA per pub also grew by 4%, highlighting that our growth is driven by success at individual pub level. We are also delighted that over 80% of the Tenanted estate is now signed up to our sector leading service agreement.

The secret to any successful tenanted business is having the right tenants. Our tenants have been with us for an average of over six years and within our Tenanted estate we have retained a Michelin Star at The Royal Oak, Paley Street and sent a pint of London Pride into space at The White Swan, Whitchurch. When we do have vacancies, we attract highly motivated entrepreneurs with a flair for business.

We have also continued to focus on our existing tenants by improving the training on offer – and have been delighted at the take-up. As well as traditional classroom courses, we have introduced low cost, online training for our tenants to use for themselves and their teams in their own pubs.

Having the best tenants, a great product portfolio for them to sell and the right training to develop their skills and improve their performance is only part of the story. This is underpinned by a strong programme of investment to keep the pubs in top condition.

With the ever increasing amount of government intervention in our sector, we have decided to put more resource behind our corporate affairs. Therefore, after more than 20 years running one of the industry's most successful sales forces, Richard Fuller will be taking up a new position of Corporate Affairs Director. He will act as Fuller's main liaison with government, industry and the communities in which we operate. In order to facilitate this move, the sales team will now report directly to the Managing Director of The Fuller's Beer Company and personnel, currently part of Richard's remit, will report directly to me.

The Fuller's Beer Company

It has also been a good start to the year for The Fuller's Beer Company with total beer and cider volumes up 6% on last year. Revenue for the Beer Company increased 7% to £62.4 million (2013: £58.3 million) and operating profit before exceptional items rose 3% to £4.1 million (2013: £4.0 million), despite £0.2 million higher marketing expenditure in the period.

We have completed a number of capital investment programmes during the period to provide the additional capacity we require to continue the growth of our beer and cider business. Ten new conditioning tanks, at a cost of £1.7 million, came into operation at Chiswick providing increased capacity for Frontier and Export beers, and in Duloe, Cornwall, capacity is now up to 15,000 barrels, compared to 6,000 barrels when we purchased it, and we have pressed a record number of apples this season.

Our Made of London marketing campaign continues to build on our London credentials with a new tie-in with the Evening Standard showcasing interesting Londoners who help make up our great city. Part of the Evening Standard campaign also focused on five events, with celebrities with a London connection attending a series of intimate Q&A events in Fuller's pubs. Bringing our flagship brand activity into our flagship London pubs has helped to cement London Pride's position as *the* London beer. In addition, a new poster campaign, with evocative shots, took to the streets and Tube platforms and all of this is supported with increased social media activity.

In order to build engagement and help make London Pride the most ordered, most talked about and most loved brand with our consumers, our social media activity has been aimed at driving interaction. We launched 'Drop of Pride' to encourage companies to put themselves forward on Facebook for a delivery of London Pride to their offices. This has been followed up by #EmptyPint, where customers can tweet a photo of their empty pint glass in return for an immediate response with a code for a free pint to refill it in a London Fuller's pub.

The new brands in our portfolio, including our agency brands, have also performed well. Frontier has been the star of the show at many of the summer's top festivals, including Street Feast and Meatopia. This growing brand is now available in 341 outlets – of which the majority are outside of our own estate. Frontier is accounting for a growing proportion of lager sales where it sits on the bar and we expect to see it continue to grow sales and distribution.

Sierra Nevada, the number one US craft beer for which we are the sole UK distributor, is also performing well and is now fully integrated into the supply chain. As well as generating sales with existing customers, it provides a useful way of opening new doors for us. Veltins, a German lager we represent in the UK, has been selling well in the free trade and we feel that the building blocks we have been laying in the Beer Company over recent months and years are starting to gain positive traction.

Finally, the other elements that make up The Fuller's Beer Company have also contributed to these numbers. Our wine business continues to generate good sales and provides a useful source of income through both our tied estate and free trade customers. Cornish Orchards is also seeing growth and we were delighted to be graced with a Royal Visit by HRH The Duchess of Cornwall this summer.

[3] Operating profit before exceptional items.

Final Salary Pension Scheme

We closed our final salary pension scheme to new members in August 2005. As reported at the year end, the Company has concluded a period of consultation with the Trustees and Members of that scheme, with the expectation that the scheme will close to future accrual with effect from 1 January 2015.

Financial Performance

The Group's net debt has increased by £16.1 million during the period to £155.9 million, following both strong cash generation from operations and high levels of investment. Total capital expenditure for the period of £34.4 million included acquiring 51% of The Stable Pizza & Cider Limited, the freehold of The Bull Hotel, Bridport and the purchase of a further three pubs.

During the period the Group successfully arranged new £180.0 million bank loan facilities, replacing the previous bank borrowing arrangements which were due to expire in May 2015. The new facilities have a five year term expiring in August 2019, have no amortisation requirements and provide £30.0 million of additional funding over and above the former arrangements. Our undrawn committed five year banking facilities at 27 September 2014 have increased to £44.5 million and this gives us the flexibility to invest in future opportunities as they arise.

EBITDA increased by 9% to £30.7 million (2013: £28.1 million). Our increased capital spend was partially offset by the increase in EBITDA, so that the ratio of net debt to EBITDA only increased to 2.6 times (2013: 2.5 times). Net finance costs before exceptional items increased marginally from £2.9 million to £3.1 million as a result of the expensing of £0.2 million of remaining arrangement fees on the previous bank facilities.

Net exceptional costs before tax of £1.3 million consists of profits on property disposals of £0.8 million, offset by acquisition costs expensed of £1.0 million, property impairment charges of £0.5 million, onerous lease charges of £0.2 million and a net interest charge on our pension deficit of £0.4 million.

Statutory profit before tax after exceptional items was £18.3 million (2013: £16.8 million). Tax has been provided for at an effective rate of 21.4% (2013: 23.2%) on adjusted profits. The overall effective tax rate of 23.0% (2013: 4.2%) was higher as the result of non-tax deductible exceptional items. The prior period effective rate was impacted by the deferred tax credit of £3.4 million relating to the stepped reduction in the UK corporation tax rate from 23% down to 20% from April 2015, all of which was recognised in the period to 28 September 2013. The net impact of these items meant that basic earnings per share were 25.33p (2013: 28.71p).

The deficit on the defined benefit pension scheme has increased from the year end by £3.0 million to £20.2 million (March 2014: £17.2 million, September 2013: £11.8 million). Despite lower inflation assumptions and better than expected returns on the plan assets, there was a substantial increase in the calculated value of the scheme liabilities, driven by a lower discount rate.

During the period 102,500 'A' ordinary 40p shares and 3,558,009 'B' ordinary 4p shares were purchased by the Company into treasury for a total of £4.4 million. In addition 72,500 'A' ordinary 40p shares were purchased for £0.7 million by the Trustees of the Company's Share Incentive Plan to cover future issuance.

Current Trading and Prospects

We have seen a positive start to the second half and trading for the 33 weeks to 15 November 2014 has been good. Like for like sales in our Managed Pubs and Hotels have risen by 6.8%, while our Tenanted like for like profit is up by 3%.

Since the half year, we have opened our latest Ale & Pie pub, The Admiralty on Trafalgar Square, and the next site in our exciting pipeline, One Over the Ait at Kew Bridge, opens 21 November 2014. Two more riverside pubs in London are already scheduled along with a number of new locations for The Stable.

The Fuller's Beer Company beer and cider volumes have risen by 4%. Our new initiatives continue to resonate with our customers and we expect this part of the business to deliver good results for the full year.

The Company is in robust health and we face the future with optimism and confidence. Our high quality predominantly freehold estate, passionate team and healthy Balance Sheet put us in an excellent position to continue to deliver good returns for the Company and our investors.

Simon Emeny

Simon Emeny
Chief Executive

20 November 2014

Condensed Group Income Statement
For the 26 weeks ended 27 September 2014

	Note	Unaudited – 26 weeks ended 27 September 2014 Before exceptional items £m	Exceptional items £m	Total £m
Revenue	2	161.6	–	161.6
Operating costs	3	(138.9)	(1.7)	(140.6)
Operating profit		22.7	(1.7)	21.0
Profit on disposal of properties	3	–	0.8	0.8
Finance costs	3,4	(3.1)	(0.4)	(3.5)
Profit before tax		19.6	(1.3)	18.3
Taxation	3,5	(4.2)	–	(4.2)
Profit for the period		15.4	(1.3)	14.1
Attributable to:				
Equity shareholders of the Parent Company		15.4	(1.3)	14.1
Non-controlling interests		–	–	–
		15.4	(1.3)	14.1
Earnings per ordinary share (pence)			40p 'A' and 'C'	4p 'B'
Basic	6		25.33	2.53
Diluted	6		24.98	2.50
Adjusted	6		27.67	2.77
Diluted adjusted	6		27.29	2.73

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

Condensed Group Statement of Comprehensive Income
For the 26 weeks ended 27 September 2014

	Note	£m
Profit for the period		14.1
Items that may be reclassified to the profit or loss		
Net (losses)/gains on valuation of hedging instruments		(0.5)
Tax related to items that may be reclassified to profit or loss	5	0.1
Items that will not be reclassified to profit or loss		
Net actuarial (losses)/gains on pension schemes	10	(2.9)
Tax related to items that will not be reclassified to profit or loss	5	0.6
Other comprehensive (loss)/income for the period, net of tax		(2.7)
Total comprehensive income for the period		11.4
Total comprehensive income attributable to:		
Equity shareholders of the Parent Company		11.4
Non-controlling interests		–
		11.4

Unaudited – 26 weeks ended 28 September 2013			Audited – 52 weeks ended 29 March 2014		
Before exceptional items £m	Exceptional items £m	Total £m	Before exceptional items £m	Exceptional items £m	Total £m
146.3	–	146.3	288.0	–	288.0
(125.3)	(1.5)	(126.8)	(248.1)	(1.9)	(250.0)
21.0	(1.5)	19.5	39.9	(1.9)	38.0
–	0.5	0.5	–	1.9	1.9
(2.9)	(0.3)	(3.2)	(5.8)	(0.6)	(6.4)
18.1	(1.3)	16.8	34.1	(0.6)	33.5
(4.2)	3.5	(0.7)	(7.9)	3.5	(4.4)
13.9	2.2	16.1	26.2	2.9	29.1
13.9	2.2	16.1	26.2	2.9	29.1
–	–	–	–	–	–
13.9	2.2	16.1	26.2	2.9	29.1
	40p 'A' and 'C'	4p 'B'		40p 'A' and 'C'	4p 'B'
	28.71	2.87		52.14	5.21
	28.43	2.84		51.39	5.14
	24.79	2.48		46.94	4.69
	24.55	2.45		46.27	4.63

£m	£m
16.1	29.1
2.0	2.4
(0.5)	(0.6)
1.3	(4.1)
(0.8)	0.4
2.0	(1.9)
18.1	27.2
18.1	27.2
–	–
18.1	27.2

Condensed Group Balance Sheet
27 September 2014

	Note	At 27 September 2014 Unaudited £m	At 28 September 2013 Unaudited £m	At 29 March 2014 Audited £m
Non-current assets				
Intangible assets		37.6	32.4	34.4
Property, plant and equipment	8	460.7	421.0	434.8
Investment properties		4.6	5.7	4.7
Derivative financial assets		0.2	0.8	0.8
Other non-current assets		0.4	0.4	0.4
Deferred tax assets		7.1	5.3	6.2
Total non-current assets		510.6	465.6	481.3
Current assets				
Inventories		10.9	9.7	10.6
Trade and other receivables		19.5	19.1	18.3
Cash and short term deposits	9	6.2	7.9	4.1
Total current assets		36.6	36.7	33.0
Assets classified as held for sale		–	0.3	1.2
Current liabilities				
Trade and other payables		53.5	46.1	46.1
Current tax payable		4.7	4.3	3.9
Provisions		0.3	0.4	1.2
Total current liabilities		58.5	50.8	51.2
Non-current liabilities				
Borrowings	9	162.1	139.3	143.9
Derivative financial liabilities		3.8	1.2	0.8
Retirement benefit obligations	10	20.2	11.8	17.2
Deferred tax liabilities		21.9	22.6	22.6
Provisions		2.6	2.7	2.2
Other non-current payables		0.4	0.4	0.4
Total non-current liabilities		211.0	178.0	187.1
Net assets		277.7	273.8	277.2

	At 27 September 2014 Unaudited £m	At 28 September 2013 Unaudited £m	At 29 March 2014 Audited £m
Capital and reserves			
Share capital	22.8	22.8	22.8
Share premium account	4.8	4.8	4.8
Capital redemption reserve	3.1	3.1	3.1
Own shares	(12.5)	(7.4)	(9.7)
Hedging reserve	(0.4)	(0.3)	–
Retained earnings	262.8	250.8	256.2
Equity attributable to the owners of the Company	280.6	273.8	277.2
Non-controlling interests	(2.9)	–	–
Total equity	277.7	273.8	277.2

Condensed Group Statement of Changes in Equity

For the 26 weeks ended 27 September 2014

Unaudited – 26 weeks ended 27 September 2014	Share capital £m	Share premium account £m
At 29 March 2014	22.8	4.8
Profit for the period	–	–
Other comprehensive loss for the period	–	–
Total comprehensive (loss)/income for the period	–	–
Shares purchased to be held in ESOT or as treasury	–	–
Shares released from ESOT and treasury	–	–
Dividends (note 7)	–	–
Share-based payment charges	–	–
Tax credited directly to equity (note 5)	–	–
Adjustment arising from change in non-controlling interest	–	–
At 27 September 2014	22.8	4.8
Unaudited – 26 weeks ended 28 September 2013		
At 30 March 2013	22.8	4.8
Profit for the period	–	–
Other comprehensive income for the period	–	–
Total comprehensive (loss)/income for the period	–	–
Shares purchased to be held in ESOT or as treasury	–	–
Shares released from ESOT and treasury	–	–
Dividends (note 7)	–	–
Share-based payment charges	–	–
Tax credited directly to equity (note 5)	–	–
At 28 September 2013	22.8	4.8
Audited – 52 weeks ended 29 March 2014		
At 30 March 2013	22.8	4.8
Profit for the period	–	–
Other comprehensive income/(loss) for the period	–	–
Total comprehensive (loss)/income for the period	–	–
Shares purchased to be held in ESOT or as treasury	–	–
Shares released from ESOT and treasury	–	–
Dividends (note 7)	–	–
Share-based payment charges	–	–
Tax credited directly to equity (note 5)	–	–
At 29 March 2014	22.8	4.8

Capital redemption reserve £m	Own shares £m	Hedging reserve £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
3.1	(9.7)	–	256.2	277.2	–	277.2
–	–	–	14.1	14.1	–	14.1
–	–	(0.4)	(2.3)	(2.7)	–	(2.7)
–	–	(0.4)	11.8	11.4	–	11.4
–	(5.1)	–	–	(5.1)	–	(5.1)
–	2.3	–	(1.6)	0.7	–	0.7
–	–	–	(5.2)	(5.2)	–	(5.2)
–	–	–	1.3	1.3	–	1.3
–	–	–	0.3	0.3	–	0.3
–	–	–	–	–	(2.9)	(2.9)
3.1	(12.5)	(0.4)	262.8	280.6	(2.9)	277.7
3.1	(8.7)	(1.8)	239.2	259.4	–	259.4
–	–	–	16.1	16.1	–	16.1
–	–	1.5	0.5	2.0	–	2.0
–	–	1.5	16.6	18.1	–	18.1
–	(1.9)	–	–	(1.9)	–	(1.9)
–	3.2	–	(2.1)	1.1	–	1.1
–	–	–	(4.7)	(4.7)	–	(4.7)
–	–	–	1.1	1.1	–	1.1
–	–	–	0.7	0.7	–	0.7
3.1	(7.4)	(0.3)	250.8	273.8	–	273.8
3.1	(8.7)	(1.8)	239.2	259.4	–	259.4
–	–	–	29.1	29.1	–	29.1
–	–	1.8	(3.7)	(1.9)	–	(1.9)
–	–	1.8	25.4	27.2	–	27.2
–	(5.3)	–	–	(5.3)	–	(5.3)
–	4.3	–	(2.9)	1.4	–	1.4
–	–	–	(7.9)	(7.9)	–	(7.9)
–	–	–	1.8	1.8	–	1.8
–	–	–	0.6	0.6	–	0.6
3.1	(9.7)	–	256.2	277.2	–	277.2

Condensed Group Cash Flow Statement

For the 26 weeks ended 27 September 2014

	Note	Unaudited 26 weeks ended 27 September 2014 £m	Unaudited 26 weeks ended 28 September 2013 £m	Audited 52 weeks ended 29 March 2014 £m
Group profit before tax		18.3	16.8	33.5
Net finance costs before exceptional items		3.1	2.9	5.8
Exceptional items	3	1.3	1.3	0.6
Depreciation and amortisation		8.0	7.1	14.7
Gain on disposal of property, plant and equipment		–	–	(0.1)
		30.7	28.1	54.5
Difference between pension charge and cash paid		(0.3)	(0.2)	(0.5)
Share-based payment charges		1.3	1.1	1.8
Change in trade and other receivables		(1.6)	(0.6)	1.0
Change in inventories		(0.2)	0.8	(0.1)
Change in trade and other payables		5.0	1.7	2.8
Cash impact of operating exceptional items	3	(1.9)	(0.4)	(2.1)
Cash generated from operations		33.0	30.5	57.4
Tax paid		(3.8)	(4.0)	(8.0)
Cash generated from operating activities		29.2	26.5	49.4
Cash flow from investing activities				
Business combinations		(20.6)	(4.7)	(9.6)
Purchase of property, plant and equipment		(13.8)	(9.8)	(28.5)
Overdraft acquired on acquisition		(0.1)	(0.1)	(0.1)
Sale of property, plant and equipment		2.4	1.3	2.6
Net cash outflow from investing activities		(32.1)	(13.3)	(35.6)

	Note	Unaudited 26 weeks ended 27 September 2014 £m	Unaudited 26 weeks ended 28 September 2013 £m	Audited 52 weeks ended 29 March 2014 £m
Cash flow from financing activities				
Purchase of own shares		(5.1)	(1.9)	(5.3)
Receipts on release of own shares to option schemes		0.7	1.1	1.4
Interest paid		(2.7)	(2.6)	(5.2)
Preference dividends paid	7	(0.1)	(0.1)	(0.1)
Equity dividends paid	7	(5.2)	(4.7)	(7.9)
Drawdown of bank loans		19.0	–	3.4
Repayment of bank loans		–	(1.1)	–
Repayment of other loans		(0.5)	(0.3)	(0.3)
Cost of refinancing		(1.1)	–	–
Net cash outflow from financing activities		5.0	(9.6)	(14.0)
Net movement in cash and cash equivalents	9	2.1	3.6	(0.2)
Cash and cash equivalents at the start of the period		4.1	4.3	4.3
Cash and cash equivalents at the end of the period	9	6.2	7.9	4.1

Cash and cash equivalents comprise cash and other short term highly liquid investments with a maturity of three months or less.

There were no significant non-cash transactions during any period.

Notes to the Financial Statements
For the 26 weeks ended 27 September 2014

1. Half Year Report

Significant Accounting Policies

Basis of Preparation
These half year financial statements for the 26 weeks ended 27 September 2014, which are abridged and unaudited, have been reviewed by the auditor and prepared in accordance with the Disclosure and Transparency Rules (DTRs) of the Financial Conduct Authority and International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union.

The half year financial statements were approved by the Directors on 20 November 2014.

This half year statement does not constitute full accounts as defined by Section 434 of the Companies Act 2006. The figures for the 52 weeks ended 29 March 2014 are derived from the published statutory accounts. Full accounts for the 52 weeks ended 29 March 2014, 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.

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.

Adoption of New Standards and Interpretations
Apart from those set out below the accounting policies adopted are consistent with those applied in the 52 weeks ended 29 March 2014 which are published as part of the accounts for that year and which are available from the Group's website, www.fullers.co.uk.

- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 (revised) Separate Financial Statements
- IAS 28 (revised) Investments in Associates and Joint Ventures

These new Standards have not had a significant impact on the accounting policies, financial position or performance of the Group.

IFRS 10 Consolidated Financial Statements
IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements (IAS 27) and SIC 12 Consolidation – Special Purpose Entities. IFRS 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. Management has reviewed the impact of this change and has concluded that there is no effect on the classification of any of the Group's investees held during the period or comparative periods covered by these financial statements.

2. Segmental Analysis

Unaudited – 26 weeks ended 27 September 2014	Managed Pubs and Hotels £m	Tenanted Inns £m	The Fuller's Beer Company £m	Unallocated[1] £m	Total £m
Revenue					
Segment revenue	106.4	16.0	62.4	–	184.8
Inter-segment sales	–	–	(23.2)	–	(23.2)
Revenue from third parties	106.4	16.0	39.2	–	161.6
Segment result	14.3	6.3	4.1	(2.0)	22.7
Operating exceptional items					(1.7)
Operating profit					21.0
Profit on disposal of properties					0.8
Net finance costs					(3.5)
Profit before tax					18.3
Other segment information					
Capital expenditure on property, plant and equipment	9.6	0.9	3.3	–	13.8
Business combinations	18.1	2.5	–	–	20.6
Depreciation and amortisation	5.6	0.8	1.6	–	8.0
Impairment of properties	0.2	0.3	–	–	0.5

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

Unaudited – 26 weeks ended 28 September 2013	Managed Pubs and Hotels £m	Tenanted Inns £m	The Fuller's Beer Company £m	Unallocated[1] £m	Total £m
Revenue					
Segment revenue	94.4	16.0	58.3	–	168.7
Inter-segment sales	–	–	(22.4)	–	(22.4)
Revenue from third parties	94.4	16.0	35.9	–	146.3
Segment result	12.6	6.2	4.0	(1.8)	21.0
Operating exceptional items					(1.5)
Operating profit					19.5
Profit on disposal of properties					0.5
Net finance costs					(3.2)
Profit before tax					16.8
Other segment information					
Capital expenditure on property, plant and equipment	7.3	0.9	1.6	–	9.8
Business combinations	–	2.6	2.1	–	4.7
Depreciation and amortisation	4.8	0.8	1.5	–	7.1
Impairment of properties	–	0.5	–	–	0.5

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

Notes to the Financial Statements continued

For the 26 weeks ended 27 September 2014

2. Segmental Analysis continued

Audited – 52 weeks ended 29 March 2014	Managed Pubs and Hotels £m	Tenanted Inns £m	The Fuller's Beer Company £m	Unallocated[1] £m	Total £m
Revenue					
Segment revenue	186.0	31.3	115.8	–	333.1
Inter-segment sales	–	–	(45.1)	–	(45.1)
Revenue from third parties	186.0	31.3	70.7	–	288.0
Segment result	22.5	12.3	8.5	(3.4)	39.9
Operating exceptional items					(1.9)
Operating profit					38.0
Profit on disposal of properties					1.9
Net finance costs					(6.4)
Profit before tax					33.5
Other segment information					
Capital expenditure on property, plant and equipment	25.4	1.6	1.5	–	28.5
Business combinations	4.9	2.2	4.2	–	11.3
Depreciation and amortisation	10.0	1.7	3.0	–	14.7
Impairment of properties	0.9	0.9	–	–	1.8
Reversal of impairment of property	(0.3)	(1.0)	–	–	(1.3)

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

3. Exceptional Items

	Unaudited 26 weeks ended 27 September 2014 £m	Unaudited 26 weeks ended 28 September 2013 £m	Audited 52 weeks ended 29 March 2014 £m
Amounts included in operating profit:			
Acquisition costs	(1.0)	(0.3)	(1.1)
Impairment of properties	(0.5)	(0.5)	(1.8)
Reversal of impairment on property	–	–	1.3
Onerous lease provision (charge)/release	(0.2)	0.6	0.9
Reorganisation costs	–	(1.3)	(1.2)
Total exceptional items included in operating profit	(1.7)	(1.5)	(1.9)
Profit on disposal of properties	0.8	0.5	1.9
Exceptional finance costs:			
Finance charge on net pension liabilities (note 10)	(0.4)	(0.3)	(0.6)
Total exceptional finance costs	(0.4)	(0.3)	(0.6)
Total exceptional items before tax	(1.3)	(1.3)	(0.6)
Exceptional tax:			
Change in corporation tax rate (note 5)	–	3.4	3.4
Profit on disposal of properties	0.1	(0.2)	(0.3)
Other items	(0.1)	0.3	0.4
Total exceptional tax	–	3.5	3.5
Total exceptional items	(1.3)	2.2	2.9

Acquisition costs of £1.0 million during the 26 weeks ended 27 September 2014 (28 September 2013: £0.3 million, 29 March 2014: £1.1 million) relate to transaction costs on pub and business acquisitions which qualify as business combinations.

The property impairment charge of £0.5 million during the 26 weeks ended 27 September 2014 (28 September 2013: £0.5 million, 29 March 2014: £1.8 million) represents the write down of licensed properties to their recoverable value. The reversal of impairment credit of £1.3 million during the 52 weeks ended 29 March 2014 relates to the write back of previously impaired licensed properties to their recoverable value.

The onerous lease charge of £0.2 million during the 26 weeks ended 27 September 2014 (26 weeks ended 28 September 2013: credit of £0.6 million, 29 March 2014: credit of £0.9 million) relates to provisions made in respect of leasehold properties which are currently trading at a loss and which the Directors do not expect to become profitable in the future.

The reorganisation costs of £1.3 million during the 26 weeks ended 28 September 2013 (29 March 2014: £1.2m) were incurred within The Fuller's Beer Company and relate principally to staff.

The cash impact of operating exceptional items before tax for the 26 weeks ended 27 September 2014 was £1.9 million cash outflow (28 September 2013: £0.4 million cash outflow, 29 March 2014: £2.1 million cash outflow).

4. Finance Costs

	Unaudited 26 weeks ended 27 September 2014 £m	Unaudited 26 weeks ended 28 September 2013 £m	Audited 52 weeks ended 29 March 2014 £m
Interest expense arising on:			
Financial liabilities at amortised cost – loans and debentures	2.9	2.7	5.4
Financial liabilities at amortised cost – preference shares	0.1	0.1	0.1
Total interest expense for financial liabilities	3.0	2.8	5.5
Unwinding of discount on provisions	0.1	0.1	0.3
Finance costs before exceptional items	3.1	2.9	5.8
Finance charge on net pension liabilities (note 3)	0.4	0.3	0.6
Finance costs	3.5	3.2	6.4

5. Taxation

	Unaudited 26 weeks ended 27 September 2014 £m	Unaudited 26 weeks ended 28 September 2013 £m	Audited 52 weeks ended 29 March 2014 £m
Tax on profit on ordinary activities			
Current income tax:			
Corporation tax	4.6	4.8	8.8
Amounts overprovided in previous periods	–	–	(0.3)
Total current income tax	4.6	4.8	8.5
Deferred tax:			
Origination and reversal of temporary differences	(0.4)	(0.7)	(0.8)
Change in corporation tax rate	–	(3.4)	(3.4)
Amounts underprovided in previous periods	–	–	0.1
Total deferred tax	(0.4)	(4.1)	(4.1)
Total tax charged in the Income Statement	4.2	0.7	4.4

5. Taxation continued

	Unaudited 26 weeks ended 27 September 2014 £m	Unaudited 26 weeks ended 28 September 2013 £m	Audited 52 weeks ended 29 March 2014 £m
Tax relating to items charged/credited to Statement of Comprehensive Income			
Deferred tax:			
Change in corporation tax rate	–	0.6	0.6
Net (losses)/gains on valuation of financial assets and liabilities	(0.1)	0.4	0.4
Net actuarial (losses)/gains on pension scheme	(0.6)	0.3	(0.8)
Tax (credit)/charge included in the Statement of Comprehensive Income	(0.7)	1.3	0.2
Tax relating to items charged/credited directly to equity			
Deferred tax:			
Reduction in deferred tax liability due to indexation	(0.2)	(0.3)	(0.3)
Share-based payments	–	(0.1)	0.1
Current tax:			
Share-based payments	(0.1)	(0.3)	(0.4)
Tax credit included in the Statement of Changes in Equity	(0.3)	(0.7)	(0.6)

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

The Finance Act 2013 was enacted during the 52 weeks to 29 March 2014 and reduced the rate of UK corporation tax from 23% to 21% on 1 April 2014 and from 21% to 20% on 1 April 2015. The impact in the 52 weeks to 29 March 2014 was an exceptional credit to the Income Statement of £3.4 million, and a charge to the Statement of Comprehensive Income of £0.6 million.

6. Earnings Per Share

	Unaudited 26 weeks ended 27 September 2014 £m	Unaudited 26 weeks ended 28 September 2013 £m	Audited 52 weeks ended 29 March 2014 £m
Profit attributable to equity shareholders	14.1	16.1	29.1
Exceptional items net of tax	1.3	(2.2)	(2.9)
Adjusted earnings attributable to equity shareholders	15.4	13.9	26.2

	Number	Number	Number
Weighted average share capital	55,664,000	56,072,000	55,815,000
Dilutive outstanding options	771,000	556,000	812,000
Diluted weighted average share capital	56,435,000	56,628,000	56,627,000

40p 'A' and 'C' ordinary share	Pence	Pence	Pence
Basic earnings per share	25.33	28.71	52.14
Diluted earnings per share	24.98	28.43	51.39
Adjusted earnings per share	27.67	24.79	46.94
Diluted adjusted earnings per share	27.29	24.55	46.27

4p 'B' ordinary share	Pence	Pence	Pence
Basic earnings per share	2.53	2.87	5.21
Diluted earnings per share	2.50	2.84	5.14
Adjusted earnings per share	2.77	2.48	4.69
Diluted adjusted earnings per share	2.73	2.45	4.63

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 1,320,409 (28 September 2013: 911,821 and 29 March 2014: 1,170,610).

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

	Unaudited 26 weeks ended 27 September 2014 £m	Unaudited 26 weeks ended 28 September 2013 £m	Audited 52 weeks ended 29 March 2014 £m
Declared and paid during the period			
Final dividend paid in period	5.2	4.7	4.7
Interim dividend paid in period	–	–	3.2
Equity dividends paid	5.2	4.7	7.9
Dividends on cumulative preference shares (note 4)	0.1	0.1	0.1

	Pence	Pence	Pence
Dividends per 40p 'A' and 'C' ordinary share declared in respect of the period			
Interim	6.40	5.80	5.80
Final	–	–	9.30
	6.40	5.80	15.10

The pence figures above are for the 40p 'A' and 'C' ordinary shares. The 4p 'B' ordinary shares carry dividend rights of one tenth of those applicable to the 40p 'A' ordinary shares. Own shares held in the employee share trusts do not qualify for dividends as the Trustees have waived their rights. Dividends are also not paid on own shares held as treasury shares.

The Directors have declared an interim dividend of 6.40p (2013: 5.80p) for the 40p 'A' ordinary shares and 40p 'C' ordinary shares, and 0.640p (2013: 0.580p) for the 4p 'B' ordinary shares, with a total estimated cost to the Company of £3.5 million (2013: £3.2 million).

8. Property, Plant and Equipment

	Unaudited 26 weeks ended 27 September 2014 £m	Unaudited 26 weeks ended 28 September 2013 £m	Audited 52 weeks ended 29 March 2014 £m
Net book value at start of period	434.8	414.8	414.8
Additions	16.3	10.4	29.9
Acquisitions	18.7	3.7	7.0
Disposals	(1.0)	(0.2)	(1.1)
Transfer to assets held for sale	–	(0.3)	(1.2)
Impairment loss net of reversals	(0.5)	(0.5)	(0.5)
Depreciation provided during the period	(7.6)	(6.9)	(14.1)
Net book value at end of period	460.7	421.0	434.8

During the 26 weeks ended 27 September 2014, the Group recognised a charge of £0.5 million (28 September 2013: £0.5 million, 29 March 2014: £1.8 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.

9. Analysis of Net Debt

Unaudited – 26 weeks ended 27 September 2014	At 29 March 2014 £m	Cash flows £m	Non-cash[1] £m	At 27 September 2014 £m
Cash and cash equivalents:				
Cash and short term deposits	4.1	2.1	–	6.2
	4.1	2.1	–	6.2
Debt:				
Bank loans	(116.2)	(17.9)	(0.3)	(134.4)
Other loans	(0.2)	0.5	(0.5)	(0.2)
Debenture stock	(25.9)	–	–	(25.9)
Preference shares	(1.6)	–	–	(1.6)
	(143.9)	(17.4)	(0.8)	(162.1)
Net debt	(139.8)	(15.3)	(0.8)	(155.9)

[1] Non-cash movements relate to the amortisation of arrangement fees, arrangement fees accrued and corporate acquisitions.

9. Analysis of Net Debt continued

Unaudited – 26 weeks ended 28 September 2013	At 30 March 2013 £m	Cash flows £m	Non-cash[1] £m	At 28 September 2013 £m
Cash and cash equivalents:				
Cash and short term deposits	4.3	3.6	–	7.9
	4.3	3.6	–	7.9
Debt:				
Bank loans	(112.5)	1.1	(0.2)	(111.6)
Other loans	–	0.3	(0.5)	(0.2)
Debenture stock	(25.8)	–	(0.1)	(25.9)
Preference shares	(1.6)	–	–	(1.6)
	(139.9)	1.4	(0.8)	(139.3)
Net debt	(135.6)	5.0	(0.8)	(131.4)

[1]Non-cash movements relate to the amortisation of arrangement fees, arrangement fees accrued and corporate acquisitions.

Audited – 52 weeks ended 29 March 2014	At 30 March 2013 £m	Cash flow £m	Non-cash[1] £m	At 29 March 2014 £m
Cash and cash equivalents:				
Cash and short term deposits	4.3	(0.2)	–	4.1
	4.3	(0.2)	–	4.1
Debt:				
Bank loans	(112.5)	(3.4)	(0.3)	(116.2)
Other loans	–	0.3	(0.5)	(0.2)
Debenture stock	(25.8)	–	(0.1)	(25.9)
Preference shares	(1.6)	–	–	(1.6)
	(139.9)	(3.1)	(0.9)	(143.9)
Net debt	(135.6)	(3.3)	(0.9)	(139.8)

[1]Non-cash movements relate to the amortisation of arrangement fees, arrangement fees accrued and corporate acquisitions.

Notes to the Financial Statements continued
For the 26 weeks ended 27 September 2014

10. Retirement Benefit Obligations

	Unaudited At 27 September 2014 £m	Unaudited At 28 September 2013 £m	Audited At 29 March 2014 £m
The amount included in the Balance Sheet arising from the Group's obligations in respect of its defined benefit retirement plan			
Fair value of scheme assets	96.1	91.1	93.6
Present value of scheme liabilities	(116.3)	(102.9)	(110.8)
Deficit in the scheme	(20.2)	(11.8)	(17.2)
Key financial assumptions used in the valuation of the scheme			
Rate of increase in salaries	2.65%	3.70%	3.10%
Rate of increase in pensions in payment	3.15%	3.20%	3.30%
Discount rate	4.00%	4.50%	4.45%
Inflation assumption – RPI	3.15%	3.20%	3.30%
Inflation assumption – CPI	2.15%	2.50%	2.60%

Mortality assumptions
The mortality assumptions used in the valuation of the scheme as at 27 September 2014 are as set out in the financial statements for the 52 weeks ended 29 March 2014.

Assets in the scheme	Value at 27 September 2014 £m	Value at 28 September 2013 £m	Value at 29 March 2014 £m
Corporate bonds	18.8	17.5	17.8
Equities	46.2	43.0	45.4
Property	0.8	0.7	0.7
Absolute return fund	28.4	27.9	27.9
Cash	0.7	0.8	0.6
Annuities	1.2	1.2	1.2
Total market value of assets	96.1	91.1	93.6

10. Retirement Benefit Obligations continued

Movement in deficit during period	Unaudited At 27 September 2014 £m	Unaudited At 28 September 2013 £m	Audited At 29 March 2014 £m
Deficit in scheme at beginning of the period	(17.2)	(13.0)	(13.0)
Movement in period:			
Current service cost	(0.7)	(0.8)	(1.5)
Net interest cost	(0.4)	(0.3)	(0.6)
Net actuarial (losses)/gains	(2.9)	1.3	(4.1)
Contributions	1.0	1.0	2.0
Deficit in scheme at end of the period	(20.2)	(11.8)	(17.2)

The defined benefit pension scheme was closed to new members in August 2005. As reported in the published statutory accounts for the 52 weeks ended 29 March 2014, the Company has concluded a period of consultation with the Trustees and Members of that scheme, with the expectation that the scheme will close to future accrual with effect from 1 January 2015.

11. Acquisition of The Stable Pizza & Cider Limited

On 9 June 2014 the Group purchased 51% of The Stable Pizza & Cider Limited and 100% of the trade and freehold property of the Bull Hotel, Bridport for total consideration of £6.6 million. At acquisition The Stable Pizza & Cider Limited and subsidiaries operated six pizza and cider restaurants. The Group paid £7.2 million in cash; however, £0.7 million was used to repay debt within the business and vendors' fees of £0.1 million were also paid. Associated acquisition costs amounted to £0.3 million and are included in exceptional items. Provisional fair value adjustments have decreased net assets acquired by £0.3 million to £3.0 million. Provisional goodwill of £3.6 million has been recognised. The transaction also includes a put and call option for the staged purchase of the remaining 49% of the business in future years and the Group has recognised a liability for £3.0 million in respect of this option, which will be reassessed at each balance sheet date based on revised expectations of performance.

12. Principal Risks and Uncertainties

There has been no change since 29 March 2014 to the risks and uncertainties which may affect the Company's performance in the next six months, details of which are set out in the financial statements for the 52 weeks ended 29 March 2014, and are available on the Fuller's website, www.fullers.co.uk. In summary three different types of risk and uncertainty have been identified by the Directors.

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

Principal among these risks and uncertainties is the ongoing strength of the UK economy as consumer spending in the UK remains under pressure, with the leisure industry particularly vulnerable. Other key risks include the impact of new government regulation, particularly with regard to future policy on alcohol duties and off-trade retail pricing, which may impact demand for our products, and our ongoing exposure to incidents which may damage the reputation of the Company or its brands, or our ability to supply our customers.

Notes to the Financial Statements continued
For the 26 weeks ended 27 September 2014

13. Shareholders' Information
Shareholders holding 40p 'C' ordinary shares are reminded that they have 30 days from 21 November 2014 should they wish to convert those 'C' shares to 'A' shares. The next available opportunity after that will be June 2015. For further details please contact the Company's registrars, Computershare on 0870 889 4096.

14. 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 on 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.

The Directors of Fuller, Smith & Turner P.L.C. are listed on page 28.

By order of the Board

Michael Turner
Chairman

James Douglas
Finance Director

20 November 2014

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 27 September 2014 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

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 27 September 2014 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

20 November 2014

Directors and Advisers as at 20 November 2014

Directors

Michael Turner, FCA, *Chairman**

Simon Emeny, *Chief Executive*

James Douglas, ACA

Richard Fuller

Ian Bray

Jonathon Swaine

John Dunsmore*

Sir James Fuller*

Lynn Fordham, CA*

Alastair Kerr*

**Non-Executive.*

President

Anthony Fuller, CBE

Secretary and Registered Office

Séverine Garnham
Griffin Brewery
Chiswick Lane South
Chiswick
London W4 2QB

Tel: 020 8996 2105

Registered Number: 241882

Auditors

Grant Thornton UK LLP
Grant Thornton House
Melton Street
London NW1 2EP

Stockbrokers

Numis Securities Limited
10 Paternoster Square
London EC4M 7LT

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Tel: 0870 889 4096

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

Notes

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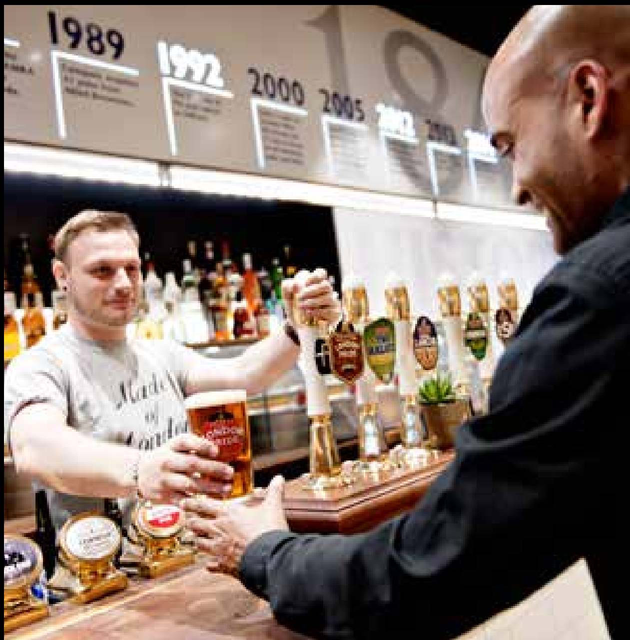

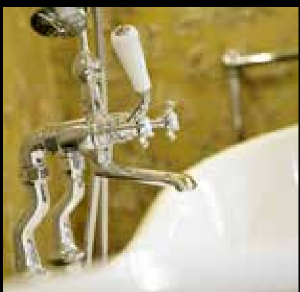

Fuller Smith & Turner P.L.C.
Griffin Brewery, Chiswick Lane
South, Chiswick, London, W4 2QB
Telephone: +44 (0)20 8996 2000
Fax: +44 (0)20 8995 0230
E-mail: Fullers@fullers.co.uk
Website: www.fullers.co.uk
Registered number: 241882