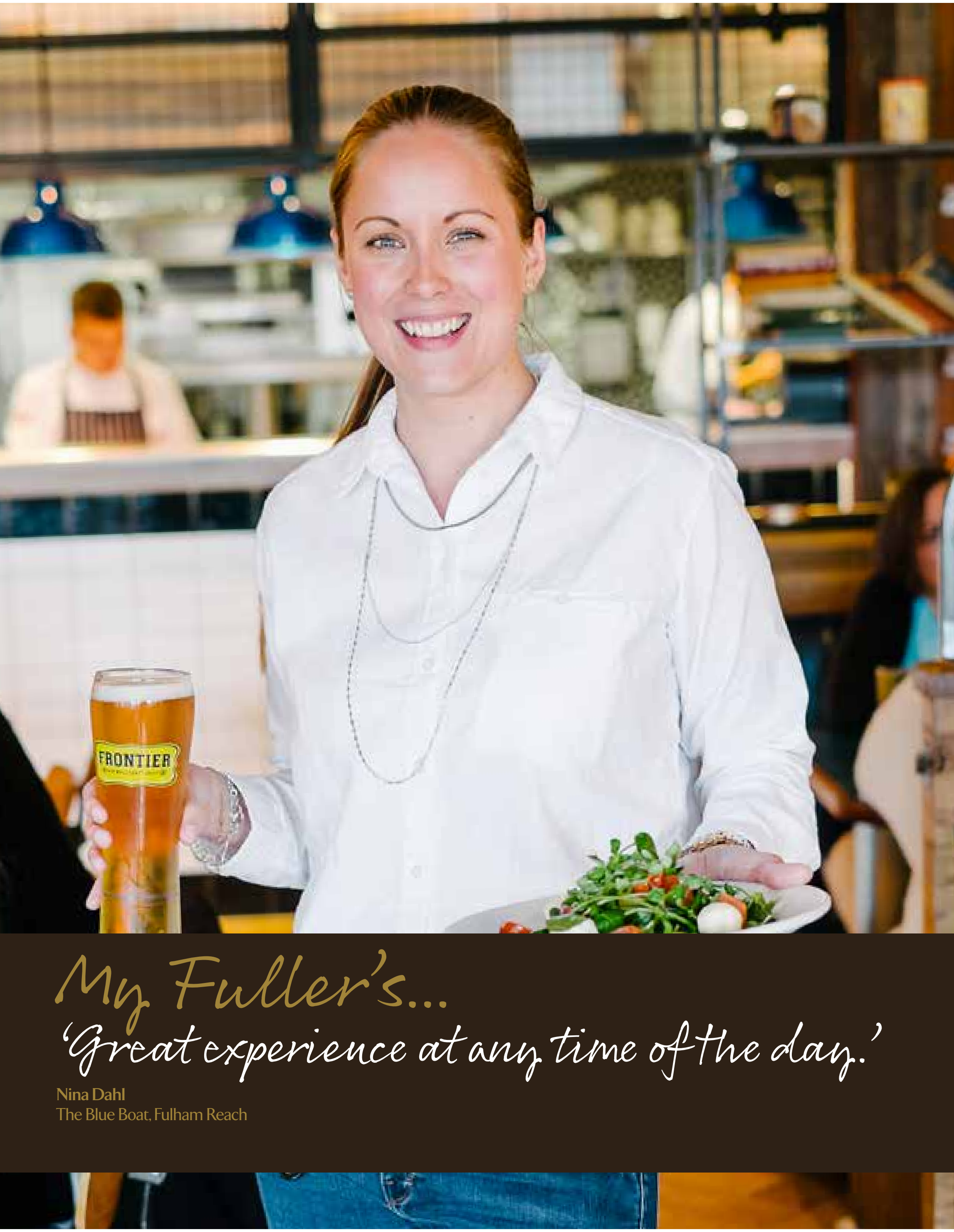
Fuller Smith & Turner P.L.C.
Half Year Report for the 26 weeks ended 26 September 2015



My Fuller's...

'Great experience at any time of the day.'

Nina Dahl
The Blue Boat, Fulham Reach

Corporate Progress

- A strong first half for the Group
- Adjusted earnings per share up 11%
- Adjusted profit up 10%
- Interim dividend up 8%
- Strong like for like sales growth of 5.6% in Managed Pubs and Hotels
- Tenanted Inns like for like profits increased by 3%
- Total beer and cider volumes rose by 1%

FULLER SMITH & TURNER P.L.C.
Financial Highlights
For the 26 weeks ended 26 September 2015

	Unaudited 26 weeks ended 26 September 2015 £m	Unaudited 26 weeks ended 27 September 2014 £m	Change 2015/2014	Audited 52 weeks ended 28 March 2015 £m
Revenue	177.7	161.6	10%	321.5
Adjusted profit[1]	21.6	19.6	10%	36.4
Adjusted earnings per share[2]	30.74p	27.67p	11%	51.51p
EBITDA[3]	33.3	30.7	8%	58.7
Basic earnings per share[2]	29.84p	25.33p	18%	51.15p
Dividend per share[4]	6.90p	6.40p	8%	16.60p
Net debt[5]	191.2	155.9		162.6
Pro forma net debt/EBITDA[6]	3.0 times	2.6 times		2.7 times

[1] Adjusted profit is the profit before tax excluding exceptional items. Statutory profit before tax was £21.2 million (2014/15: £18.3 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.
[3] Pre-exceptional earnings before interest, tax, depreciation, loss on disposal of plant and equipment, pension fund curtailment gain 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 the pubs acquired or disposed of in the last 12 months.

Chairman's Statement

"We continue to demonstrate market leadership, design some outstanding pubs and hotels, work in true partnership with our tenants and develop the most exquisite beers and ciders."

I am once again delighted to announce an excellent set of results. We continue to demonstrate market leadership, design some outstanding pubs and hotels, work in true partnership with our tenants to the benefit of all and develop the most exquisite beers and ciders. We have also acquired two new freehold Fuller's pubs and opened three new The Stable restaurants in the period under review.

The team has delivered against our financial targets. Total revenue has increased by 10% to £177.7 million (2014/15: £161.6 million), with a rise in adjusted profit before tax of 10% to £21.6 million. I am also pleased to announce a rise in adjusted earnings per share, a figure that is key to our shareholders, of 11% to 30.74p (2014/15: 27.67p).

The largest part of our business, our Managed Pubs and Hotels, has again outperformed the industry average by a substantial margin, with like for like sales increasing by 5.6% (2014/15: 6.5%). A significant proportion of this growth is driven by the exceptional standard of customer service which we provide, the result of a training programme that has more than doubled in the last three years and the introduction of the service coach programme. Through a thoroughly professional management team anticipating upcoming trends and constant development of our team members to home grow the managers of the future, we will always ensure that we are at the leading edge.

After 15 years at the helm, our Tenanted Director Mike Clist is retiring. He has led an outstanding operation which, on the back of a string of impressive results has, during this half year, seen like for like profits[1] rise by 3%.

[1] Operating profit before exceptional items.

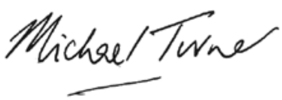
As well as building the best tenanted business in the industry, Mike has also been instrumental in liaising with Government on behalf of the industry during recent turbulent times and I would like to take this opportunity to give him my heartfelt thanks.

Finally, The Fuller's Beer Company has also had a good six months, with total beer and cider volumes rising by 1% in a declining and increasingly fragmented market. It gives me great pleasure to see brands like Oliver's Island and Frontier growing sales and attracting new people to the beer market. With the addition of Cornish Orchards' excellent ciders, we have a premium range of products suitable for any pub, bar, restaurant or supermarket.

As ever, all of our success is down to the talent and dedication of our people. I am so proud of all they achieve and I congratulate them on their success. I have seen many progress on the career ladder and I am delighted Simon and his directors continue to develop the stars of the future.

Dividend

The Board is pleased to announce an increase of 8% in the interim dividend to 6.90p (2014/15: 6.40p) per 40p 'A' and 'C' ordinary share and 0.69p (2014/15: 0.64p) per 4p 'B' ordinary share. This will be paid on 4 January 2016 to shareholders on the share register as at 4 December 2015.



Michael Turner
Chairman

19 November 2015

Chief Executive's Review

"The last six months has seen even more focus on our people – as they are the front line in growing Fuller's in the future."

We have had a strong first half with all areas of the business in growth, demonstrating the clear trading momentum underway in the business. It is particularly rewarding, coming on the back of a good prior year. During the last six months, our Managed Pubs and Hotels have had excellent growth, the Tenanted Division has put in another good performance and the Beer Company has also made progress. Our commitment to providing the best drinks range, the most delicious, freshly-cooked food, fantastic surroundings and service that is second to none continues to deliver good experiences for our customers and good returns for our shareholders.

While it is our core businesses, Fuller's Inns and The Fuller's Beer Company, that have made the largest contributions, the targeted Company investments of the last two years – our acquisition of the Cornish Orchards cider farm and a 51% stake in The Stable craft cider and gourmet pizza restaurants – are delivering ahead of expectations. In addition, the acquisition of the UK distribution rights for Sierra Nevada has also helped to open new doors and give us access to a different customer base, which we have then capitalised on with the innovative craft range launched by our outstanding brewing team.

The last six months has seen even more focus on our people – as they are the front line in growing Fuller's in the future. Following on from the introduction of innovative developments in recruitment and training, particularly in our Managed Pubs, we have recently announced new pay rates for those team members who are on one of our six development programmes. I have always stated that one of my goals is to increase the amount of internal promotions we make and this is another step in achieving that aim, by rewarding those who want to develop their careers in Fuller's.

In particular, I'm delighted with the progress we have made with our Chef's Guild programme. We are now developing our food teams from kitchen porter upwards. We have three levels of scholarship and the courses culminate in a graduation ceremony that was this year co-hosted by triple Michelin-starred chef, Pierre Koffmann, an aspirational host in anyone's book.

We have also taken the opportunity during the period to secure the long-term future of some of our sites by acquiring the freeholds of The Barrowboy & Banker at London Bridge and The Blackbird in Earl's Court, as well as the freehold of The Stable in Poole. The purchase of properties that we currently operate will never provide the same earnings enhancement as the acquisition of a new site, but it is strategically important for us to secure the future of key locations for the long term.

At the beginning of this year, we revised the transfer price of products supplied by The Fuller's Beer Company to Fuller's Inns and the basis of allocating shared costs. To aid comparability with the current results, we have included additional disclosures to present the prior period segmental information based on these revised transfer prices and allocations. The percentage changes quoted for the divisions are against these comparable results for the prior period.

Fuller's Inns

It has been another good six months for Fuller's Inns, with a rise in our operating profit[2] of 14% and an increase in like for like sales in our Managed Pubs and Hotels of 5.6%. The Tenanted Inns division has also seen another good six months, with like for like profits rising by 3%.

We've added two new freehold pubs to the estate during the period – The King's Head in Earl's Court Village and The Queen's Head in Kingston. Since the period end, we have also added another two pubs to the estate – The Great Northern Railway Tavern in Hornsey, which gives us a foothold in a growing area of North London where we are currently under-represented, and The Sutton Arms in London EC1, close to Farringdon, an area being transformed by Crossrail.

We have continued to invest heavily in our pub estate and have spent £7.8 million on our pubs during the period on schemes including The Hydrant at Monument, The Grand Central in Brighton, The Sun and 13 Cantons in the heart of Soho, The Inn of Court, Holborn and The Queen's Head in Brook Green, West London. As ever, we look to stay one step ahead of the competition, keeping our pubs fresh, relevant and appealing to our customers.

Managed Pubs and Hotels

Like for like sales have risen by 5.6% during the period, with food sales up 8.3%, drinks sales up 4.9% and accommodation rising by 2.2%. These results are down to the hard work of our well trained pub teams and we believe that service is one of the key elements to growing these figures further. The investment we have made in how we recruit, develop and retain our people has been substantial – our investment in training alone has more than doubled over the last two years and we are on track to deliver around 13,000 training days in this full year.

As part of this development plan, we now have a full and structured career path for both front of house and kitchen teams from bar staff and kitchen porter to general manager and head chef. We are also identifying the operations managers of the future and building their skills base ready for promotion when a vacancy arises. We are delighted that anyone who is on one of these development programmes is recognised with an increase in pay – a move we have also extended to our service coaches who will all be receiving, as a minimum, the new National Living Wage rate of £7.20 per hour from the end of November, regardless of age.

Of course having great service, delicious food, the best premium drinks range and inspiring venues is still not enough on its own – you need to market the pub too. Today's consumer, armed with ever improving smart phones and technology, expects to be communicated with in that manner. We now have online booking for tables in 90% of our pubs, have improved the direct booking process for our hotels and we have been busy taking a fresh look at our whole customer relationship management system, which has resulted in better targeted emails with relevant offers for a very responsive customer base.

In short, this means that we are now attracting the best team members and the most discerning customers – and ensuring that we have the right development plans and career progression for the recruits and the best food, drinks, accommodation, venues and service for the guests. And at the same time as doing all this, we continually watch the market to ensure we are always a step ahead of the competition.

Within our Managed Pubs and Hotels business, we have also been busy with The Stable, opening new sites and, in a highly successful move, relocating the Bath restaurant to a new, prime location with plenty of outside seating – which has become a trademark of The Stable sites where this can be accommodated. Our new site in Plymouth has traded well, becoming an anchor site, attracting other businesses and therefore increasing footfall in the area. In Winchester, we have a site very close to the cathedral, in the heart of the city and the team have made innovative use of Facebook to promote the restaurant to the local community.

We continue to work in tandem with The Stable founders, Richard and Nikki Cooper, and we are seeing benefits from improved processes, particularly in terms of margin and payroll. We have a full pipeline of sites coming on stream in the coming weeks. Southampton opened earlier this month and Cheltenham, Cardiff and Birmingham are imminent. Our expectation is that we will have 15 sites by the year end.

[2] Operating profit before exceptional items.

Tenanted Inns

It's been another great year for our Tenanted Inns – and a momentous one too, as we say goodbye to Tenanted Director Mike Clist who has headed this successful division for the last 15 years. His replacement, Fred Turner, is already in situ and the two have had a comprehensive handover in recent months.

Tenanted like for like profits[3] have risen by 3%, the average EBITDA per pub has increased by 2%, and we have invested £1.0 million in improving the fabric of our tenanted pubs. As with our managed estate, these rises come on the back of a strong first half for last year too. During the period, we have disposed of two tenanted pubs – The Prince of Wales in Hillingdon and The White Hart in Hanwell.

Of particular note in the Tenanted estate is the like for like rise in own beer volumes, which are up by 5%, supporting our view that the balanced, premium portfolio offered by The Fuller's Beer Company is a fundamental benefit to Fuller's tenants. The concurrent like for like rise in wine sales of 3% reflects the way our Tenanted estate is moving to a more premium position, with food sales becoming increasingly important, and we expect this trend to continue.

We continue to invest in online training, to help our tenants develop their own team members, and our popular *Tenants Extra* magazine is a useful way of sharing ideas and information among the tenanted community.

The Fuller's Beer Company

Volumes for The Fuller's Beer Company have risen by 1%, while sales have risen 3%, reflecting the change in both our product and sales channel mix. We have reinvested this growth into new sales channels, such as Westside Drinks, increased marketing and carried out further developments at Cornish Orchards. This has resulted in profits remaining level.

The craft beer revolution is well and truly here and the way today's consumer has so much respect for the skill of the brewer and demand for new flavours and formats provides a good opportunity for Fuller's. While we continue to focus our marketing activity on London Pride, our other brands are also flourishing. Oliver's Island has been selling well and this golden ale, which has attracted new people to the ale category, is now our second biggest cask ale brand in the UK.

Our investment in Cornish Orchards continues to deliver and we are ahead of our investment plan. The cider is well received by consumers, volumes have increased and we have gained new listings. It also provides a valuable addition to our premium portfolio. Our wine division also performed well, with sales up 5% on last year, against an overall decline in wine sales according to CGA data.

Frontier, our craft lager launched in 2013, has continued to grow. Volumes have doubled year on year and we are gaining a place on the counter in more bars across the UK. We have recently launched the brand in 330ml cans – which has helped to take it to a whole new range of craft beer venues where it can be hard to keep a permanent tap listing for any brand. We have also launched two other brands in 330ml cans – Wild River and Black Cab Stout. Craft beer bars like cans because they are quicker to chill than bottles, are easily recyclable and look fantastic.

Although the beer market is still a challenging place to operate, as the customer moves towards smaller, lower volume, higher priced brands – while looking for interesting tastes and flavours – we are in a good position to meet this new customer demand. We have a strong range, the industry's leading brewing team and the heritage and commitment to quality to ensure that the beers we produce will sell, be easy to manage for the bar owner and come in a suitable format for each specific venue.

Financial performance

The Group's net debt has increased by £28.6 million during the period to £191.2 million, following strong cash generation from operations, offset by high levels of investment, particularly in securing the freeholds of great locations for our long term. Total capital expenditure for the period of £53.4 million included acquiring two new pubs, three freehold properties and significant investment in our existing estate.

Of our £200 million of facilities arranged last year, £130 million has now been extended to August 2020. Of the remaining facility, £20 million expires within 12 months and £50 million expires in August 2019. Our undrawn committed facilities at 26 September 2015 are £28.5 million and this, and the freedom to add more funding lines, gives us the flexibility to invest in future opportunities as they arise.

[3] Operating profit before exceptional items.

EBITDA increased by 8% to £33.3 million (2014/15: £30.7 million). Our increased capital expenditure has resulted in the ratio of net debt to proforma EBITDA increasing to 3.0 times (2014/15: 2.6 times). Net finance costs before exceptional items decreased marginally from £3.1 million to £2.9 million as a result of the combined benefit of our new facilities and the prevailing lower interest rates.

Net exceptional costs before tax of £0.4 million consists of profits on property disposals of £1.6 million, offset by acquisition costs expensed of £0.5 million, the reversal of onerous lease provisions of £0.2 million, deemed remuneration of the future purchase of shares in The Stable of £1.3 million and a net interest charge on our pension deficit of £0.4 million.

Statutory profit before tax after exceptional items was £21.2 million (2014/15: £18.3 million). Tax has been provided for at an effective rate of 20.4% (2014/15: 21.4%) on adjusted profits. The overall effective tax rate of 21.2% (2014/15: 23.0%) was higher as the result of non-tax deductible exceptional items. The net impact of these items results in basic earnings per share increasing to 29.84p (2014/15: 25.33p).

The deficit on the defined benefit pension scheme has decreased marginally from the year end to £24.2 million (March 2015: £24.4 million, September 2014: £20.2 million). The reduction in the value of scheme liabilities due to higher discount rate assumptions has been offset by a reduction in the value of the plan assets.

During the period 184,000 'A' ordinary 40p shares and 1,000,000 'B' ordinary 4p shares were purchased by the Company into treasury for a total of £3.3 million. In addition 66,028 'A' ordinary 40p shares and 247,321 'B' shares were purchased for £1.0 million by the Trustees of the Company's Share Incentive Plan to cover future issuance.

Current trading and prospects

The second half of the year has started well, with a number of our pubs – particularly in West London – benefitting from a boost during the Rugby World Cup. For the first 33 weeks, our like for like sales in our Managed Pubs and Hotels have risen by 5.8% and like for like profits in our Tenanted Inns have risen by 4%. Beer and cider volumes have increased by 1% for the first 33 weeks.

We have purchased two new sites since the period end. The Great Northern Railway Tavern is in the North London suburb of Hornsey, an area where we are currently under represented. The other is The Sutton Arms, in the City, close to Farringdon Station. In addition, we opened The Stable in Southampton, in the cultural quarter of this university city. We have an exciting pipeline of acquisitions and will be opening The Sail Loft on Greenwich Reach in January.

In short, having completed the first half of this financial year, I look forward to the rest of the year with optimism. We have the best team in the industry and iconic pubs, combined with the financial firepower and business acumen to stay ahead of the competition. Fuller's is a company with clear values, a consistent and well communicated strategy and I know that we will continue to deliver great beer and cider, delicious food and outstanding service to our customers, great careers for our people and solid returns for our shareholders.

Simon Emeny
Chief Executive

19 November 2015

Condensed Group Income Statement

For the 26 weeks ended 26 September 2015

	Note	Unaudited – 26 weeks ended 26 September 2015 Before exceptional items £m	Exceptional items £m	Total £m
Revenue	2	177.7	–	177.7
Operating costs	3	(153.2)	(1.6)	(154.8)
Operating profit		24.5	(1.6)	22.9
Profit on disposal of properties	3	–	1.6	1.6
Pension Fund curtailment gain	3,4	–	–	–
Finance costs	3,4	(2.9)	(0.4)	(3.3)
Profit before tax		21.6	(0.4)	21.2
Taxation	3, 5	(4.4)	(0.1)	(4.5)
Profit for the period		17.2	(0.5)	16.7
Attributable to:				
Equity shareholders of the Parent Company		17.0	(0.5)	16.5
Non-controlling interests		0.2	–	0.2
		17.2	(0.5)	16.7
Earnings per ordinary share (pence)			40p 'A' and 'C'	4p 'B'
Basic	6		29.84	2.98
Diluted	6		29.45	2.95
Adjusted	6		30.74	3.07
Diluted adjusted	6		30.35	3.03

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 26 September 2015

	Note	£m
Profit for the period		16.7
Items that may be reclassified to the profit or loss		
Net gains/(losses) 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 the profit or loss		
Net actuarial losses on pension schemes	10	(0.1)
Tax related to items that will not be reclassified to profit or loss	5	–
Other comprehensive income/(loss) for the period, net of tax		0.3
Total comprehensive income for the period		17.0
Total comprehensive income attributable to:		
Equity shareholders of the Parent Company		16.8
Non-controlling interests		0.2
		17.0

Unaudited – 26 weeks ended 27 September 2014			Audited – 52 weeks ended 28 March 2015		
Before exceptional items £m	Exceptional items £m	Total £m	Before exceptional items £m	Exceptional items £m	Total £m
161.6	–	161.6	321.5	–	321.5
(138.9)	(1.7)	(140.6)	(279.2)	(1.5)	(280.7)
22.7	(1.7)	21.0	42.3	(1.5)	40.8
–	0.8	0.8	–	0.8	0.8
–	–	–	–	1.2	1.2
(3.1)	(0.4)	(3.5)	(5.9)	(0.8)	(6.7)
19.6	(1.3)	18.3	36.4	(0.3)	36.1
(4.2)	–	(4.2)	(7.9)	0.1	(7.8)
15.4	(1.3)	14.1	28.5	(0.2)	28.3
15.4	(1.3)	14.1	28.6	(0.2)	28.4
–	–	–	(0.1)	–	(0.1)
15.4	(1.3)	14.1	28.5	(0.2)	28.3
	40p 'A' and 'C'	4p 'B'		40p 'A' and 'C'	4p 'B'
	25.33	2.53		51.15	5.12
	24.98	2.50		50.42	5.04
	27.67	2.77		51.51	5.15
	27.29	2.73		50.78	5.08

£m	£m
14.1	28.3
(0.5)	(3.0)
0.1	0.6
(2.9)	(8.3)
0.6	1.7
(2.7)	(9.0)
11.4	19.3
11.4	19.4
–	(0.1)
11.4	19.3

Condensed Group Balance Sheet
26 September 2015

	Note	At 26 September 2015 Unaudited £m	At 27 September 2014 Unaudited £m	At 28 March 2015 Audited £m
Non-current assets				
Intangible assets		38.3	37.6	38.7
Property, plant and equipment	8	515.2	460.7	471.9
Investment properties		4.6	4.6	4.6
Derivative financial assets		0.2	0.2	0.3
Other non-current assets		0.2	0.4	0.3
Deferred tax assets		8.8	7.1	8.4
Total non-current assets		567.3	510.6	524.2
Current assets				
Inventories		11.1	10.9	10.6
Trade and other receivables		18.5	19.5	17.7
Cash and short term deposits	9	7.1	6.2	5.1
Total current assets		36.7	36.6	33.4
Current liabilities				
Trade and other payables		54.5	53.5	49.2
Current tax payable		5.1	4.7	3.9
Provisions		0.3	0.3	0.4
Borrowings		20.0	–	20.0
Total current liabilities		79.9	58.5	73.5
Non-current liabilities				
Borrowings	9	178.3	162.1	147.7
Derivative financial liabilities		6.8	3.8	6.1
Retirement benefit obligations	10	24.2	20.2	24.4
Deferred tax liabilities		20.9	21.9	21.3
Provisions		2.2	2.6	2.5
Other non-current liabilities		0.3	0.4	0.4
Total non-current liabilities		232.7	211.0	202.4
Net assets		291.4	277.7	281.7

	Note	At 26 September 2015 Unaudited £m	At 27 September 2014 Unaudited £m	At 28 March 2015 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		(14.8)	(12.5)	(13.5)
Hedging reserve		(2.0)	(0.4)	(2.4)
Retained earnings		280.4	262.8	270.0
Equity attributable to the owners of the Company		294.3	280.6	284.8
Non-controlling interests		(2.9)	(2.9)	(3.1)
Total equity		291.4	277.7	281.7

Condensed Group Statement of Changes in Equity

For the 26 weeks ended 26 September 2015

Unaudited – 26 weeks ended 26 September 2015	Share capital £m	Share premium account £m
At 28 March 2015	22.8	4.8
Profit for the period	–	–
Other comprehensive income/(loss) for the period	–	–
Total comprehensive 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 26 September 2015	22.8	4.8
Unaudited – 26 weeks ended 27 September 2014		
At 29 March 2014	22.8	4.8
Profit for the period	–	–
Other comprehensive loss for the period	–	–
Total comprehensive 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
Audited – 52 weeks ended 28 March 2015		
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 28 March 2015	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	(13.5)	(2.4)	270.0	284.8	(3.1)	281.7
–	–	–	16.5	16.5	0.2	16.7
–	–	0.4	(0.1)	0.3	–	0.3
–	–	0.4	16.4	16.8	0.2	17.0
–	(4.3)	–	–	(4.3)	–	(4.3)
–	3.0	–	(2.4)	0.6	–	0.6
–	–	–	(5.6)	(5.6)	–	(5.6)
–	–	–	1.7	1.7	–	1.7
–	–	–	0.3	0.3	–	0.3
3.1	(14.8)	(2.0)	280.4	294.3	(2.9)	291.4
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	(9.7)	–	256.2	277.2	–	277.2
–	–	–	28.4	28.4	(0.1)	28.3
–	–	(2.4)	(6.6)	(9.0)	–	(9.0)
–	–	(2.4)	21.8	19.4	(0.1)	19.3
–	(7.1)	–	–	(7.1)	–	(7.1)
–	3.3	–	(2.3)	1.0	–	1.0
–	–	–	(8.7)	(8.7)	–	(8.7)
–	–	–	2.6	2.6	–	2.6
–	–	–	0.4	0.4	–	0.4
–	–	–	–	–	(3.0)	(3.0)
3.1	(13.5)	(2.4)	270.0	284.8	(3.1)	281.7

Condensed Group Cash Flow Statement
For the 26 weeks ended 26 September 2015

	Note	Unaudited 26 weeks ended 26 September 2015 £m	Unaudited 26 weeks ended 27 September 2014 £m	Audited 52 weeks ended 28 March 2015 £m
Group profit before tax		21.2	18.3	36.1
Net finance costs before exceptional items		2.9	3.1	5.9
Exceptional items	3	0.4	1.3	0.3
Depreciation and amorisation		8.8	8.0	16.4
		33.3	30.7	58.7
Difference between pension charge and cash paid		(0.6)	(0.3)	(0.7)
Share-based payment charges		1.7	1.3	2.6
Change in trade and other receivables		(0.7)	(1.6)	(0.6)
Change in inventories		(0.5)	(0.2)	–
Change in trade and other payables		4.7	5.0	1.7
Cash impact of operating exceptional items	3	(0.5)	(1.9)	(1.7)
Cash generated from operations		37.4	33.0	60.0
Tax paid		(4.0)	(3.8)	(8.3)
Cash generated from operating activities		33.4	29.2	51.7
Cash flow from investing activities				
Business Combinations		(6.2)	(20.6)	(25.2)
Purchase of property, plant and equipment		(46.7)	(13.8)	(31.1)
Overdraft acquired on acquisition		–	(0.1)	(0.1)
Sale of property, plant and equipment		3.0	2.4	3.3
Net cash outflow from investing activities		(49.9)	(32.1)	(53.1)

	Note	Unaudited 26 weeks ended 26 September 2015 £m	Unaudited 26 weeks ended 27 September 2014 £m	Audited 52 weeks ended 28 March 2015 £m
Cash flow from financing activities				
Purchase of own shares		(4.3)	(5.1)	(7.1)
Receipts on release of own shares to option schemes		0.6	0.7	1.0
Interest paid		(2.6)	(2.7)	(5.2)
Preference dividends paid		(0.1)	(0.1)	(0.1)
Equity dividends paid	7	(5.6)	(5.2)	(8.7)
Drawdown of bank loans		30.5	19.0	24.5
Repayment of other loans		–	(0.5)	(0.5)
Cost of refinancing		–	(1.1)	(1.1)
Cost of new derivative instruments		–	–	(0.4)
Net cash inflow from financing activities		18.5	5.0	2.4
Net movement in cash and cash equivalents	9	2.0	2.1	1.0
Cash and cash equivalents at the start of the period		5.1	4.1	4.1
Cash and cash equivalents at the end of the period		7.1	6.2	5.1

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 26 September 2015

1. Half Year Report

Significant Accounting Policies

Basis of Preparation
These half year financial statements for the 26 weeks ended 26 September 2015, 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 19 November 2015.

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 28 March 2015 are derived from the published statutory accounts. Full accounts for the 52 weeks ended 28 March 2015, 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
The accounting policies adopted are consistent with those applied in the 52 weeks ended 28 March 2015, which were published as part of the accounts for that year and which are available from the Group's website, www.fullers.co.uk.

IAS 19 (November 2013) Defined Benefit Plans: Employee Contributions was issued in the period but will not have a significant impact on the accounting policies, financial position or performance of the Group.

Revision to transfer prices and central cost allocation
The Group's policy is to set transfer prices between segments at an arm's length basis, similar to transactions with third parties. In line with best practice, the transfer price is regularly reviewed and revised as required. The latest revision to the transfer price was applied at the beginning of this year. In addition, the allocation basis of costs related to share services was revised. To aid comparability with the current results, we have included additional disclosures to present the comparative segmental information based on the revised basis. This revised information is included in note 2 to these statements.

2. Segmental Analysis

Unaudited – 26 weeks ended 26 September 2015	Managed Pubs and Hotels £m	Tenanted Inns £m	The Fuller's Beer Company £m	Unallocated[1] £m	Total £m
Revenue					
Segment revenue	121.9	16.1	63.0	–	201.0
Inter-segment sales	–	–	(23.3)	–	(23.3)
Revenue from third parties	121.9	16.1	39.7	–	177.7
Segment result	17.0	6.7	3.6	(2.8)	24.5
Operating exceptional items					(1.6)
Operating profit					22.9
Profit on disposal of properties					1.6
Net finance costs					(3.3)
Profit before tax					21.2
Other segment information					
Capital expenditure on property plant and equipment	42.9	3.1	1.2	–	47.2
Business Combinations	6.2	–	–	–	6.2
Depreciation and amortisation	6.3	0.8	1.7	–	8.8
Impairment of property	–	–	–	–	–

Revisions to transfer price and central cost allocation

As set out in note 1, in the current period the Group changed the transfer price and central cost allocation basis applied between the segments. To aid year on year comparabilily, the table below sets out the revised segmental information for the 26 weeks ended 27 September 2014 based on the new basis.

Unaudited – 26 weeks ended 27 September 2014 (Revised)	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	61.3	–	183.7
Inter-segment sales	–	–	(22.1)	–	(22.1)
Revenue from third parties	106.4	16.0	39.2	–	161.6
Segment result	14.9	6.7	3.6	(2.5)	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 property	0.2	0.3	–	–	0.5

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

2. Segmental Analysis continued

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 property	0.2	0.3	–	–	0.5

Audited – 52 weeks ended 28 March 2015	Managed Pubs and Hotels £m	Tenanted Inns £m	The Fuller's Beer Company £m	Unallocated[1] £m	Total £m
Revenue					
Segment revenue	213.8	31.4	122.9	–	368.1
Inter-segment sales	–	–	(46.6)	–	(46.6)
Revenue from third parties	213.8	31.4	76.3	–	321.5
Segment result	25.0	12.6	8.7	(4.0)	42.3
Operating exceptional items					(1.5)
Operating profit					40.8
Profit on disposal of properties					0.8
Pension fund curtailment gain					1.2
Net finance costs					(6.7)
Profit before tax					36.1
Other segment information					
Capital expenditure on property plant and equipment	24.6	2.1	4.4	–	31.1
Business Combinations	22.7	2.5	–	–	25.2
Depreciation and amortisation	11.5	1.6	3.3	–	16.4
Impairment of property	0.4	0.3	–	–	0.7
Reversal of impairment of property	(0.6)	(0.1)	–	–	(0.7)

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

3. Exceptional Items

	Unaudited 26 weeks ended 26 September 2015 £m	Unaudited 26 weeks ended 27 September 2014 £m	Audited 52 weeks ended 28 March 2015 £m
Amounts included in operating profit:			
Acquisition costs	(0.5)	(1.0)	(1.2)
Impairment of property	–	(0.5)	(0.7)
Reversal of impairment on property	–	–	0.7
Onerous lease provision release/(charge)	0.2	(0.2)	(0.3)
Deemed remuneration on the future purchase of shares in The Stable	(1.3)	–	–
Total exceptional items included in operating profit	(1.6)	(1.7)	(1.5)
Profit on disposal of properties	1.6	0.8	0.8
Pension fund curtailment gain	–	–	1.2
Exceptional finance costs:			
Finance charge on net pension liabilities (note 10)	(0.4)	(0.4)	(0.8)
Total exceptional finance costs	(0.4)	(0.4)	(0.8)
Total exceptional items before tax	(0.4)	(1.3)	(0.3)
Exceptional tax:			
Profit on disposal of properties	(0.3)	0.1	(0.2)
Pension fund curtailment gain	–	–	(0.2)
Other items	0.2	(0.1)	0.5
Total exceptional tax	(0.1)	–	0.1
Total exceptional items	(0.5)	(1.3)	(0.2)

Acquisition costs of £0.5 million during the 26 weeks ended 26 September 2015 (27 September 2014: £1.0 million, 28 March 2015: £1.2 million) relate to transaction costs on pub and business acquisitions.

Deemed remuneration on the future purchase of shares in The Stable relates to the increase in estimated value of minority share of The Stable group of companies. The current estimate of the amount payable in respect of the remaining 49% of shares is £6.3 million (2014: £3.0 million) of which £4.3 million (27 September 2014: £3.0 million) is accrued at the balance sheet date, with the balance to be accrued over the remaining period to 28 March 2018.

There was no property impairment charge of during the period (27 September 2014: £0.5 million, 28 March 2015: £0.7 million). In previous periods, this has represented a write down of licensed properties to their recoverable value. The reversal of impairment credit of £0.7 million during the 52 weeks ended 28 March 2015 relates to the write back of previously impaired licensed properties to their recoverable value.

The onerous lease provision charge of £0.2 million during the 26 weeks ended 26 September 2015 (26 weeks ended 27 September 2014: charge of £0.2 million, 28 March 2015: charge £0.3 million) relates to the reversal of provisions made in respect of leasehold properties which are trading at a loss and which the Directors do not expect to become profitable in the future.

The cash impact of operating exceptional items before tax for the 26 weeks ended 26 September 2015 was £0.5 million cash outflow (27 September 2014: £1.9 million cash outflow, 28 March 2015: £1.7 million cash outflow).

4. Finance Costs

	Unaudited 26 weeks ended 26 September 2015 £m	Unaudited 26 weeks ended 27 September 2014 £m	Audited 52 weeks ended 28 March 2015 £m
Interest expense arising on:			
Financial liabilities at amortised cost – loans and debentures	2.7	2.9	5.6
Financial liabilities at amortised cost – preference shares	0.1	0.1	0.1
Total interest expense for financial liabilities	2.8	3.0	5.7
Unwinding of discount on provisions	0.1	0.1	0.2
Finance costs before exceptional items	2.9	3.1	5.9
Finance charge on net pension liabilities (note 3)	0.4	0.4	0.8
Finance costs	3.3	3.5	6.7

5. Taxation

	Unaudited 26 weeks ended 26 September 2015 £m	Unaudited 26 weeks ended 27 September 2014 £m	Audited 52 weeks ended 28 March 2015 £m
Tax on profit on ordinary activities			
Current income tax:			
Corporation tax	5.1	4.6	8.6
Total current income tax	5.1	4.6	8.6
Deferred tax:			
Origination and reversal of temporary differences	(0.6)	(0.4)	(0.8)
Total deferred tax	(0.6)	(0.4)	(0.8)
Total tax charged in the Income Statement	4.5	4.2	7.8

5. Taxation continued

	Unaudited 26 weeks ended 26 September 2015 £m	Unaudited 26 weeks ended 27 September 2014 £m	Audited 52 weeks ended 28 March 2015 £m
Tax relating to items charged/credited to Statement of Comprehensive Income			
Deferred tax:			
Net (losses)/gains on valuation of financial assets and liabilities	(0.1)	(0.1)	0.6
Net actuarial (losses)/gains on pension scheme	–	(0.6)	1.7
Tax (credit)/charge included in the Statement of Comprehensive Income	(0.1)	(0.7)	2.3
Tax relating to items charged/credited directly to equity			
Deferred tax:			
Reduction in deferred tax liability due to indexation	(0.2)	(0.2)	(0.3)
Share-based payments	–	–	0.1
Current tax:			
Share-based payments	(0.1)	(0.1)	(0.2)
Tax credit included in the Statement of Changes in Equity	(0.3)	(0.3)	(0.4)

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.

6. Earnings Per Share

	Unaudited 26 weeks ended 26 September 2015 £m	Unaudited 26 weeks ended 27 September 2014 £m	Audited 52 weeks ended 28 March 2015 £m
Profit attributable to equity shareholders	16.5	14.1	28.4
Exceptional items net of tax	0.5	1.3	0.2
Adjusted earnings attributable to equity shareholders	17.0	15.4	28.6

	Number	Number	Number
Weighted average share capital	55,296,000	55,664,000	55,521,000
Dilutive outstanding options	722,000	771,000	804,000
Diluted weighted average share capital	56,018,000	56,435,000	56,325,000

40p 'A' and 'C' ordinary share	Pence	Pence	Pence
Basic earnings per share	29.84	25.33	51.15
Diluted earnings per share	29.45	24.98	50.42
Adjusted earnings per share	30.74	27.67	51.51
Diluted adjusted earnings per share	30.35	27.29	50.78

4p 'B' ordinary share	Pence	Pence	Pence
Basic earnings per share	2.98	2.53	5.12
Diluted earnings per share	2.95	2.50	5.04
Adjusted earnings per share	3.07	2.77	5.15
Diluted adjusted earnings per share	3.03	2.73	5.08

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 1,687,868 (27 September 2014: 1,320,409 and 28 March 2015: 1,463,761).

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 26 September 2015 £m	Unaudited 26 weeks ended 27 September 2014 £m	Audited 52 weeks ended 28 March 2015 £m
Declared and paid during the period			
Final dividend paid in period	5.6	5.2	5.2
Interim dividend paid in period	–	–	3.5
Equity dividends paid	5.6	5.2	8.7
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	6.90	6.40	6.40
Final	–	–	10.20
	6.90	6.40	16.60

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 6.90p (2014: 6.40p) for the 40p 'A' ordinary shares and 40p 'C' ordinary shares, and 0.690p (2014: 0.640p) for the 4p 'B' ordinary shares, with a total estimated cost to the Company of £3.8 million (2014: £3.5 million).

8. Property, Plant and Equipment

	Unaudited 26 weeks ended 26 September 2015 £m	Unaudited 26 weeks ended 27 September 2014 £m	Audited 52 weeks ended 28 March 2015 £m
Net book value at start of period	471.9	434.8	434.8
Additions	47.2	16.3	32.5
Acquisitions	6.2	18.7	21.5
Disposals	(1.3)	(1.0)	(1.4)
Impairment loss net of reversals	–	(0.5)	–
Depreciation provided during the period	(8.8)	(7.6)	(15.5)
Net book value at end of period	515.2	460.7	471.9

During the 26 weeks ended 26 September 2015, the Group recognised a charge of £nil million (27 September 2014: £0.5 million, 28 March 2015: £0.7 million) to write down the value 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 26 September 2015	At 28 March 2015 £m	Cash Flows £m	Non Cash[1] £m	At 26 September 2015 £m
Cash and cash equivalents:				
Cash and short term deposits	5.1	2.0	–	7.1
	5.1	2.0	–	7.1
Debt:				
Bank loans	(140.0)	(30.5)	(0.1)	(170.6)
Other loans	(0.2)	–	–	(0.2)
Debenture stock	(25.9)	–	–	(25.9)
Preference shares	(1.6)	–	–	(1.6)
Total borrowings	(167.7)	(30.5)	(0.1)	(198.3)
Net debt	(162.6)	(28.5)	(0.1)	(191.2)

[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 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)
Total borrowings	(143.9)	(17.4)	(0.8)	(162.1)
Net debt	(139.8)	(15.3)	(0.8)	(155.9)

Audited – 52 weeks ended 28 March 2015	At 29 March 2014 £m	Cash Flows £m	Non Cash[1] £m	At 28 March 2015 £m
Cash and cash equivalents:				
Cash and short term deposits	4.1	1.0	–	5.1
	4.1	1.0	–	5.1
Debt:				
Bank loans	(116.2)	(23.4)	(0.4)	(140.0)
Other loans	(0.2)	0.5	(0.5)	(0.2)
Debenture stock	(25.9)	–	–	(25.9)
Preference shares	(1.6)	–	–	(1.6)
Total borrowings	(143.9)	(22.9)	(0.9)	(167.7)
Net debt	(139.8)	(21.9)	(0.9)	(162.6)

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

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	Unaudited At 26 September 2015 £m	Unaudited At 27 September 2014 £m	Audited At 28 March 2015 £m
Fair value of plan assets	94.5	96.1	103.5
Present value of scheme liabilities	(118.7)	(116.3)	(127.9)
Deficit in the scheme	(24.2)	(20.2)	(24.4)

Key financial assumptions used in the valuation of the scheme			
Rate of increase in salaries	n/a	2.65%	n/a
Rate of increase in pensions in payment	3.15%	3.15%	3.00%
Discount rate	3.75%	4.00%	3.25%
Inflation assumption – RPI	3.15%	3.15%	3.00%
Inflation assumption – CPI	2.15%	2.15%	2.00%

Mortality Assumptions

The mortality assumptions used in the valuation of the Plan as at 26 September 2015 are as set out in the financial statements for the 52 weeks ended 28 March 2015.

Assets in the scheme	Value at 26 September 2015 £m	Value at 27 September 2014 £m	Value at 28 March 2015 £m
Corporate bonds	19.1	18.8	20.7
Equities	45.5	46.2	50.2
Property	0.9	0.8	0.9
Absolute return fund	26.9	28.4	29.5
Cash	0.9	0.7	0.9
Annuities	1.2	1.2	1.3
Total market value of assets	94.5	96.1	103.5

10. Retirement Benefit Obligations continued

Movement in deficit during period	Unaudited At 26 September 2015 £m	Unaudited At 27 September 2014 £m	Audited At 28 March 2015 £m
Deficit in scheme at beginning of the period	(24.4)	(17.2)	(17.2)
Movement in period:			
Current service cost	–	(0.7)	(1.1)
Curtailment gain	–	–	1.2
Net interest cost	(0.4)	(0.4)	(0.8)
Net actuarial losses	(0.1)	(2.9)	(8.3)
Contributions	0.7	1.0	1.8
Deficit in scheme at end of the period	(24.2)	(20.2)	(24.4)

On 1 January 2015 the scheme was closed to future accrual resulting in a curtailment gain of £1.2 million in the 52 weeks to 28 March 2015.

11. Principal Risks and Uncertainties

There has been no change since 28 March 2015 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 28 March 2015, and are available on the Fuller's website, www.fullers.co.uk. The Group continually assesses its risks and the Directors have identified those that could significantly impact the Group's objectives.

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

Fuller's has a wide portfolio of brands and has established a reputation for offering premium products. There is a risk that contamination of our products at source or outlet could damage reputation of the brand and impact customers' perceptions of Fuller's as a premium position company. This positioning is key to the success of the business and any change to this would significantly impact the Group's performance.

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

Fuller's operates in a highly regulated sector and changes in government policy could result in a decline in trade, the main areas of consideration being legislation surrounding the sale of alcohol and the Beer Tie.

The Group is increasingly reliant on its information systems. Any prolonged failure of these would result in disruption to operations. Data protection is also vital, as any loss of data could result in reputational damage to the Group.

12. Shareholders' Information

Shareholders holding 40p 'C' ordinary shares are reminded that they have 30 days from 20 November 2015 should they wish to convert those 'C' shares to 'A' shares. The next available opportunity after that will be June 2016. For further details please contact the Company's registrars, Computershare on 0870 889 4096.

13. Statement of Directors' Responsibilities

The Directors confirm, to the best of their knowledge, that this condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer or the undertakings included in the consolidation as a whole and has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union. The interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- disclosure of material related party transactions in the first six months and any material changes to related party transactions.

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

19 November 2015

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 26 September 2015 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 26 September 2015 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

19 November 2015

Directors and Advisers as at 19 November 2015

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

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Notes

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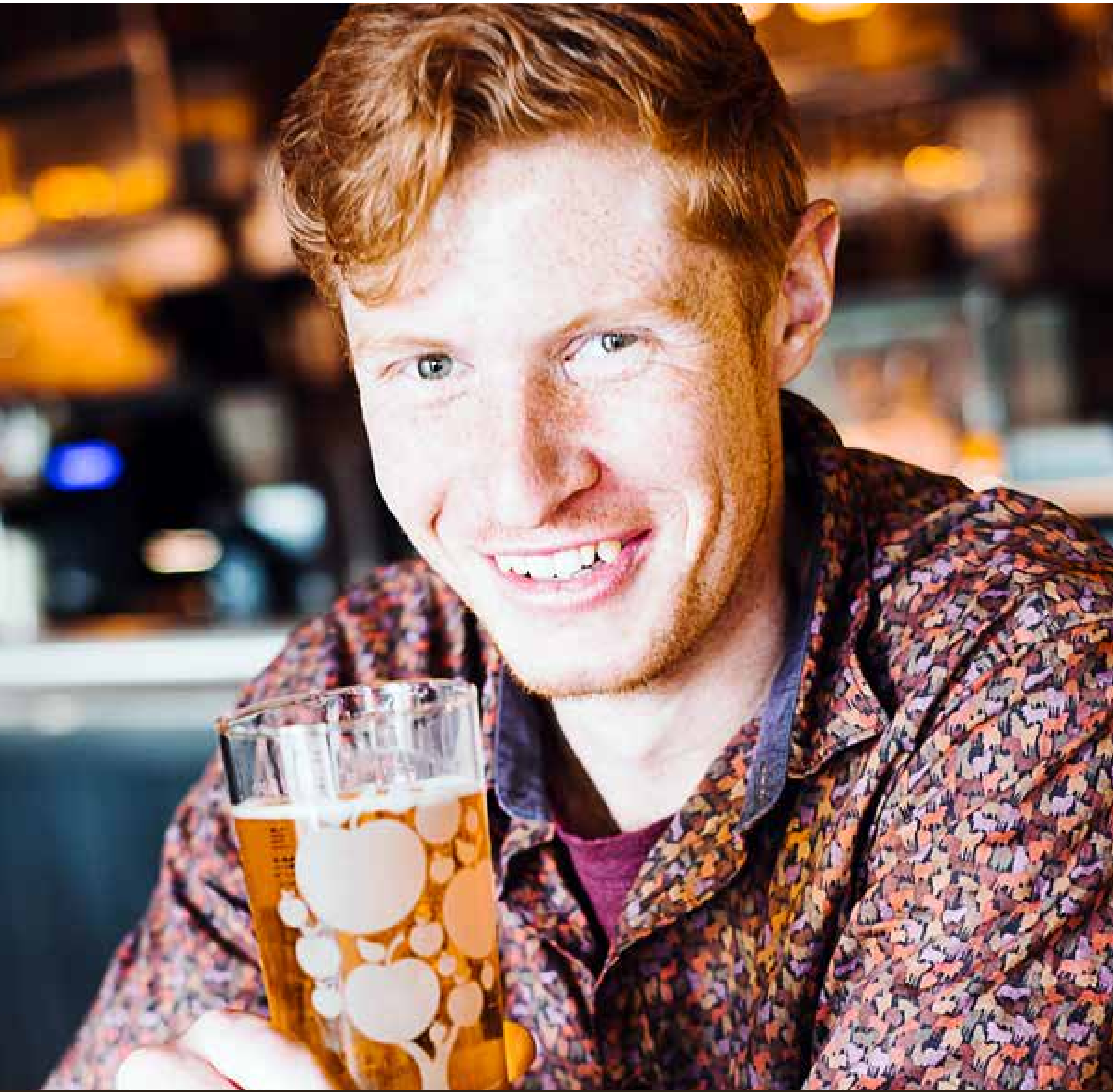

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