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UNTIL 7AM FRIDAY 9 JUNE 2017

FULLER, SMITH & TURNER P.L.C.
(“Fuller’s”, “the Group” or “the Company”)

Financial results for the 53 weeks ended 1 April 2017

Another good year for the Company

Financial Highlights

- Adjusted profit before tax[1] up 5% to £42.9 million (2016: £40.9 million)
- Adjusted earnings per share[2] up 5% to 61.39p (2016: 58.35p)
- Revenue up 12% to £392.0 million (2016: £350.5 million)
- EBITDA[3] up 8% to £70.5 million (2016: £65.0 million)
- Total annual dividend up 5% to 18.80p (2016: 17.90p)
- Statutory profit before tax of £39.9 million (2016: £39.2 million)
- Net debt to EBITDA[4] 2.9 times (2016: 3.0 times).

Operational Indicators

- Strong performance from Managed Pubs and Hotels with like for like sales[5] growth of 3.7%, driven by good growth in food and accommodation
- Tenanted Inns like for like profits marginally down 1%, EBITDA per pub up 2%
- Total beer and cider volumes down 2%, but operating profits in The Fuller’s Beer Company rose 5%.

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[1] Adjusted profit before tax is the profit before tax excluding separately disclosed items. Statutory profit before tax was £39.9 million (2016: £39.2 million).
[2] Calculated using adjusted profit after tax and the same weighted average number of shares as for the basic earnings per share and using a 40p ordinary share. Basic earnings per share were 59.21p (2016: 59.25p).
[3] Earnings before separately disclosed items, interest, tax, depreciation and amortisation.
[4] Net debt to EBITDA is calculated on a pro forma basis adjusting as appropriate for acquisitions and disposals in the last 12 months.
[5] Managed Pubs and Hotels like for like sales excludes The Stable and are for 52 weeks ended 25 March 2017.

Strategy Update

- Invested £22 million in our existing Inns estate, broadening the appeal of our pubs
- Acquired five new pubs
- Added an additional 71 new bedrooms
- Opened four new restaurants for The Stable and acquired a further 25% share, taking ownership to 76%
- Grew sales of our craft beer range and launched London Pride Unfiltered
- Added further warehousing and capacity at Cornish Orchards and Nectar
- Filled 66% of vacancies with internal promotions through successful ongoing strategy of developing our people.

Current Trading and Outlook

- Managed Pubs and Hotels like for like sales up by 6.6% in first nine weeks
- Tenanted Inns like for like profits for first nine weeks up 5%
- Total beer and cider volumes up 7% in first nine weeks
- Frontier crowned Champion Draught Lager at the *2017 International Beer & Cider Awards*
- Four Tenants on new agreement based on turnover rent
- Impending cost pressures including business rates, Apprenticeship Levy, rising National Living Wage and recruitment pressures due to the UK's departure from the European Union
- Well-positioned to face the future, with a clear, consistent strategy and long-term business model, underpinned by a strong balance sheet and exceptional assets.

53 Week Reporting Period

The results are for the 53 weeks ended 1 April 2017, with the comparative statutory period being the 52 weeks ended 26 March 2016. All comparisons are based on our statutory reporting period, unless otherwise stated.

Commenting on the results, Chief Executive Simon Emeny said: "It has been another good year for Fuller's with a strong set of results for the Company. Food and accommodation have driven like for like sales growth in our Managed Pubs and Hotels and the targeted investments we have made in both new sites and redeveloping our existing estate have generated excellent returns. We have purchased five new sites and completed 25 major refurbishments in the last 53 weeks.

"We are only nine weeks in to the new financial year but we have had a very strong start, albeit against our softest quarter last year, with like for like sales in our Managed Pubs and Hotels up 6.6%, like for like profits in our Tenanted Inns up 5% and volumes in The Fuller's Beer Company rising 7%.

"There are a number of headwinds that will have a significant financial impact on both Fuller's and the industry as a whole, but we face the future in a strong position. Our Managed Pubs and Hotels are in good shape and although there is a lot of work and a long way to go, we have a clear vision and solid strategy for both our Tenanted Inns and The Fuller's Beer Company.

"In short, while we are cautious and realistic about the future, we are well-placed to continue to delight our customers, recruit and develop the best team members and reward our shareholders."

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Notes to Editors:

Fuller, Smith and Turner P.L.C. is an independent traditional family brewer founded in 1845 and is based at the historic Griffin Brewery in Chiswick, London, where brewing has taken place continuously since 1654. The Company runs 190 Tenanted pubs and 198 Managed Pubs and Hotels, with a focus on delicious fresh, home-cooked food, outstanding cask and craft ale, great wine and exceptional service. The Company also has 706 boutique bedrooms in its Managed estate. The Fuller's pub estate stretches from Brighton to Birmingham and from Bristol to the Greenwich Peninsula, including 174 locations within the M25. Fuller's owns a 76% stake in The Stable, a craft cider and gourmet pizza restaurant business, which has 17 sites in England and Wales.

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

Photography is available from the Fuller's Press Office on 020 8996 2175 or by email at pr@fullers.co.uk.

Copies of this statement, the Annual Report and results presentation will be available on the Company's website, www.fullers.co.uk. The presentation will be available from 12 noon on 9 June 2017.

FULLER, SMITH & TURNER P.L.C.
FINANCIAL RESULTS FOR THE 53 WEEKS ENDED 1 APRIL 2017

CHAIRMAN'S STATEMENT

I am pleased to be announcing another year of strong results due to our clear, consistent strategy, the dedication of our people across the business and the strength of our management team. Our total revenues during this 53 week period have increased by 12% to £392.0 million (2016: £350.5 million) and this has led to a rise in adjusted profit before tax[6] of 5% to £42.9 million (2016: £40.9 million).

One of the key measures for shareholders, adjusted earnings per share[7] (EPS), has risen by 5% to 61.39p (2016: 58.35p), reflecting a continuous upward trend, and I am delighted to announce a rise in the full year dividend of 5%. As ever, we have delivered excellent returns for our shareholders and over the last five years, our EPS has risen 56%.

Our Managed Pubs and Hotels have had another very strong year, with like for like sales rising by 3.7%, outperforming the market once again. Food sales have grown ahead of this rate, while our accommodation business has performed exceptionally well, with a rise in occupancy rates increasing like for like sales by 6.4%.

The Tenanted Inns division has had a year of consolidation while we reviewed our strategy. We have a clear vision of where we can add value to the tenanted partnership and how to build solid foundations for future growth. It will be a long term process, but I look forward to updating you on progress in the coming months and years.

The Fuller's Beer Company continues to produce an interesting and award-winning range of beers and ciders and brands such as Frontier, our delicious craft lager, have grown sales and taken Fuller's into new listings.

During the year, we appointed Simon Dodd, who used to run the Premium City pubs for Fuller's Inns, to the role of Managing Director of The Fuller's Beer Company. He brings a real customer focus, a keen understanding of consumer trends and a new approach to the role.

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[6] Profit before tax excluding separately disclosed items.
[7] Calculated using adjusted profit after tax and the same weighted average number of shares as for the basic earnings per share and using a 40p ordinary share.

In another personnel change, John Keeling will be spending more time in a beer ambassador role, promoting Fuller's both in the UK and globally and I am delighted that he has handed the Head Brewer baton to Georgina Young, who he has mentored and developed since she joined us in 1999.

DIVIDEND

The Board is pleased to announce a final dividend of 11.55p (2016: 11.00p) per 40p 'A' and 'C' ordinary share and 1.155p (2016: 1.10p) per 4p 'B' ordinary share. This will be paid on 27 July 2017 to shareholders on the share register as at 23 June 2017. The total dividend of 18.80p per 40p 'A' and 'C' ordinary share and 1.88p per 4p 'B' ordinary share represents a 5% increase on last year and will be covered 3.3 times by adjusted earnings per share.

Michael Turner
Chairman
8 June 2017

CHIEF EXECUTIVE'S REVIEW

It has been another good year for Fuller's with a strong set of results for the Company. Food and accommodation have driven like for like sales growth in our Managed Pubs and Hotels and the targeted investments we have made in both new sites and redeveloping our existing estate have generated excellent returns. We have purchased five new sites and completed 25 major refurbishments in the last 53 weeks.

Although The Fuller's Beer Company and our Tenanted Inns have had a more demanding year, both divisions have made excellent strategic progress, developing new plans and laying the foundations for future growth. This is not about fixing problems, it is about building a clear vision with achievable goals to drive these businesses forward. We have strong teams in place and while this is a long term process, these are exciting times for both of these key parts of the Company.

When I took over as Chief Executive, I made a clear commitment to enhance the way we develop our most talented people and build succession plans for the future. As a result of the great work of our training team, this year 66% of our appointments were internal promotions. This included the appointment during the year of three divisional directors – Liz Peck as Sales Director, Paul Dickinson as Director of Food and Jane Jones as Director of Marketing. In addition, Georgina Young, who originally joined Fuller's as a junior brewer under the tutelage of John Keeling, was promoted to Head Brewer.

We are seeing significant changes to our business and the way many of our customers run their day to day lives – and we have to adapt accordingly. This includes embracing and increasing the way we use the digital space to amplify and bring to life our long term, consistent strategy. To that end, we have a number of different projects underway within the business. We are improving the way we collect, collate and use the data we generate to enrich our distinctive customer experience. Other digital led projects will help us build a leaner cost base – including investing in a comprehensive, far-reaching enterprise resource planning (ERP) system. All parts of our business and each element of our strategy must accommodate and embrace the digital world and the new technologies that form a major part of our consumers' lives, while at the same time it is imperative that we do not lose the personal touch and excellent face to face relationship we enjoy with our customers.

It is important to remember that while our strategy is consistent, our business also has the flexibility and capability to evolve and react quickly to the external environment. We are facing unprecedented cost pressures with a sharp increase in business rates (an additional £2 million in the next full financial year), the impact of the National Living Wage and increasing competition for key skilled team workers such as chefs. This is compounded by the uncertainty around Brexit and the future for the EU nationals that are a key part of our business, particularly in London. However, we have robust plans in place, a superb team of people and we are ready to tackle these future challenges and seize the opportunities they present.

FULLER'S INNS

Fuller's Inns continues to lead the Group and this year is no exception. Total revenue for our Managed Pubs and Hotels is up by 10% to £261.3 million (2016: £238.4 million), while total revenue for our Tenanted Inns decreased by 1% to £31.2 million (2016: £31.5 million).

Managed Pubs and Hotels

Yet again, our Managed Pubs and Hotels division has outperformed the market with like for like sales rising by 3.7% and an increase in operating profit[8] of 5% to £32.4 million (2016: £30.9 million). EBITDA[9] grew 10% to £48.1 million (2016: £43.9 million).

While food has continued to show strong like for like growth of 4.5%, accommodation has been the standout performer over the last 12 months, with like for like sales rising by 6.4%. This was driven by a strong rise in occupancy rates, benefiting from both an increase in inbound tourists, many of whom like to stay in a traditional British pub, and a rise in the popularity of the staycation. We are continuing to upgrade our hotel stock and this year added a further 71 bedrooms through the acquisition of new properties and building more in our existing estate. This brings the total number of bedrooms in our Managed Pubs and Hotels division to 706.

Our total food sales have risen 11%, while like for like food sales have risen by 4.5% during the period. This is an area where we continue to invest in our kitchens, as well as developing our team members and building sustainable, mutually beneficial relationships with our suppliers. During the year, we held our inaugural Chef of the Year competition, with over-25 and under-25 categories. The two winners, Gavin Sinden of The Stonemason's Arms in Hammersmith, and Luke Emmess of The Still & West, Southsea, were rewarded with a trip to Dubai, including the chance to cook in some of the Emirate's top restaurants.

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[8] Operating profit excluding separately disclosed items.
[9] Earnings before separately disclosed items, interest, tax, depreciation and amortisation.

The successful Fuller's Chefs' Guild continues to deliver excellent results and is one of the ways we are mitigating the problems of chef recruitment. We have increased both the number of chef scholars undertaking one of our training programmes and the frequency of the training cycles, with six cycles per year, each lasting five and a half months. In addition, we are in the second year of our Chef Apprentice programme, aimed at entry level kitchen positions. This has proved successful and we have provided permanent jobs for all those who completed the apprenticeship programme. These trainees will, we hope, be the Head Chefs of the future.

Our food journey continues and we are currently investing in systems to underpin the fantastic work we have completed around supplier partnerships, training and development. This includes a new food recipe, margin and stock system which will enable us to improve food margin and consistency of our freshly cooked dishes, while maintaining the quality, originality and provenance of the ingredients we use. We are also expanding our healthier options and in the last 12 months have markedly increased the number of vegetarian and vegan dishes on the menu.

During the year we relaunched and refreshed the wine offer in our pubs. We redesigned our lists around styles, giving customers a choice of wines of different origin and price, while retaining our focus on provenance and quality. The lists now have unfussy descriptions of the flavours and the move has resulted in customers trading up to more premium wines. Our efforts have also been noticed outside of Fuller's and we have just taken the title of *Pub Merchant of the Year* at the Sommelier Wine Awards. Craft beers also continued to perform well across the Managed estate, with sales increasing of both Fuller's own range and those from other brewers. In addition, our Managed Pubs now have access to an even wider range of brands through Nectar. All of these trends have helped invested like for like drinks sales to grow 3.1%.

With customers looking for new, exciting and experiential reasons to visit the pub, we look to provide many and varied interesting events. The popular *Shakespeare in the Garden* programme featured *Twelfth Night* last summer and once again, we had a full house at each performance. We will be re-running the *My Dad's Pub* competition that we created last year, whereby one lucky father wins his own pub for the day, including personalisation of the pub's hanging sign. Our *Fuller's Kitchen* campaign continues, seizing the opportunities presented by Instagram to share photos of delicious dishes through social media to whet our customers' appetites. *Fuller's Kitchen* has also been focusing on monthly offers that combine food and drink and over 12,000 of these were redeemed over a five month period, with a chorizo burger paired with a pint of Frontier being the most popular.

Digital technology is allowing us to enhance our distinctive customer experience and deliver efficiency and we have a number of exciting initiatives in place. Our single customer view database was launched at the start of the year and has helped to drive incremental revenue through carefully targeted email marketing activity. We pride ourselves on the individuality of each of our pubs and our online approach is no different. We have upgraded over 100 of our pub websites with fully responsive, mobile optimised sites where photography is at the heart. We place huge value on the feedback that we receive from our customers and launched a new online feedback system which has so far generated over 40,000 individual responses. Over 60% of our managed pubs and hotels now have a superfast WiFi connection and we are continuing to invest to improve the experience for the 400,000 customers that use the service each month.

During the year, we purchased or opened five new Managed Pubs, including The Gun, a pub in South Quay, Docklands, with panoramic views across the bend of the River Thames to the O2 and an enviable reputation for food, and The Half Moon in Herne Hill, an iconic pub in South London, an area in which Fuller's is underrepresented. It is a Grade II listed building and our scheme restored many original features and added 12 stylish, individually-designed bedrooms. It is truly wonderful to see this grand old lady of Herne Hill once again proudly dominating the local scene.

We also purchased The White Star in Southampton, which comes with 14 bedrooms, The King's Arms in Woodstock, which has 15 bedrooms, and The Albert Arms in Esher, an affluent area perfect for our premium fresh food offer. The Albert Arms has six bedrooms, is currently undergoing extensive refurbishment and we plan to reopen it in the second half of the year.

During the year, we have invested £20 million in our existing Managed estate with a number of high profile refurbishments that have resulted in a record number of 155 closure weeks (2016: 121 weeks). These included adding additional bedrooms at sites such as The Princess Royal in Farnham and The Head of the River in Oxford as well as developing sites to broaden their appeal, such as The Three Guineas at Reading Station. This traditional station pub has been completely repositioned, with an excellent food offer and the innovative conversion of a large disused cellar area into a superb function space. The Three Guineas is in a perfect position to benefit from the forthcoming arrival of Crossrail.

Ultimately, the success of our Managed Pubs and Hotels is due to the excellent team of people who work in them, and we continue to invest wholeheartedly in their training and development. We are fortunate to have some incredible team members from throughout Europe and beyond working in our pubs and in the light of Britain's forthcoming departure from the EU, we are investing in and supporting our people by covering the cost of applying for a permanent residence card for any eligible EU or EEA nationals who have worked for us for at least one year.

After opening four new sites for The Stable in the first half – two in London at Whitechapel and Kew Bridge and two closer to the brand's heartland in Bournemouth and Exeter – we are pausing for breath in our opening programme. Since acquiring The Stable just three years ago, it has trebled in size, and now stands at 17 sites. During the year we increased our stake in this business to 76% and we have the option to acquire the remaining 24% in 2018.

In order to focus on The Stable's position as the home of great cider, we have rolled out a Cidermaster programme, creating cider sommeliers in each restaurant. We have also created a house cider, Rapscallion, produced at Cornish Orchards and collaboratively blended by The Stables' Cidermasters and the talented cider makers at Duloe. In the latter part of the year we appointed David Gough, another internal promotion, to the role of Operations Director. We have moved the back office and systems to Chiswick to allow The Stable to benefit from being part of the Fuller's family, while the retail offer remains wholly under the control of The Stable team. The Stable is still a very young and exciting brand and it continues to offer a point of difference to the Fuller's portfolio.

Tenanted Inns

Our Tenanted business has had a challenging year with like for like profits, our main KPI, decreasing by 1% (2016: +2%). The division generated £13.2 million of profit[10] during the year (2016: £13.4 million) and average EBITDA per pub increased by 2%. During the year, we completed a strategic review of the business and identified 20 pubs that we did not feel belonged in the Fuller's portfolio. Prior to the period end, we sold four of these and another 16 are either held for sale or have been sold since the year end. In addition, we sold two Tenanted pubs in the first half of the year.

A Fuller's branded pub should always be a hallmark of high standards and great quality with regards to beer, wines and food, irrespective of whether the site is managed or tenanted. The strategic review of this part of our business has given us an opportunity to identify and clarify the standards we expect for our customers and ensure they are evident in all pubs.

Investment in our Tenanted pubs has always played an important part in our journey and in light of the strategic review we have undertaken, we have implemented a plan to grow our annual rate of investment in our Tenanted pubs by over 50% to around £3 million per year. This investment will be back and front of house, in the right pubs, in conjunction with the right entrepreneurial Tenants. We have completed 15 projects during the year that have enhanced the nature of the business including The Prestonville in Brighton, The Globe in Brentford, The Bear & Swan in Chew Magna, which included adding boutique bedrooms, The Oak at Stanstead Abbotts and The Buckingham Inn, Buckingham. All of these projects were jointly funded by Fuller's and the Tenant.

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[10] Operating profit excluding separately disclosed items.

As part of this programme, we have put in place a new agreement based on a turnover rent, benefiting both the Company and the Tenant, including better transparency of trade and trading patterns and giving the Tenant greater flexibility in how they grow their business. In the future, Tenants will have access to the excellent Fuller's Chefs' Guild and we will be improving access to our food supplier base.

It is early days, but we are delighted that among our first turnover agreement signatories are a former Fuller's Managed Pub Manager and Head Chef – completing the career path from front line team member to business owner. We have also had two internal promotions within the team, with one of our first set of graduate trainees and a former Fuller's Managed Pub Manager both taking up Business Development Manager positions. Finally, we now have 92% of our estate on substantive agreements, up from 85% a year ago.

There is much work still to be done, but we have a number of workstreams in place to further develop the new agreement, enhance the look and feel of our Tenanted estate, improve the quality of the food and, as a result, recruit talented, entrepreneurial Tenants.

THE FULLER'S BEER COMPANY

Revenue in The Fuller's Beer Company rose by 17% to £147.9 million (2016: £126.8 million), principally due to the full year effect of the Nectar acquisition, although volumes (excluding Nectar) were down by 2%. Operating profit[11] rose 5%, to £8.0 million (2016: £7.6 million). We continue to see a shift to higher margin beers and ciders and it is only the impact of Nectar, our specialist craft beer wholesaler, that has caused the overall margin to fall.

One of the top performers during the year was Frontier Craft Lager, which saw volumes increase by 27% and capped off the year by picking up the *2017 International Beer and Cider Award* for Champion Draught Lager. This prestigious award reinforces the appeal of this fantastic beer, which continues to gain new fans across the UK and beyond.

Cornish Orchards has performed well with volumes also rising by 27%. Cornish Orchards has released some well received new products, such as the refreshing seasonal cider Keeper's Meadow, and launched three of its range – Cornish Orchards Gold, Cornish Orchards Blush and Alcoholic Ginger Beer – in 330ml cans.

The year saw the launch of London Pride Unfiltered. This new beer takes the original London Pride recipe with the beer being centrifuged but not filtered. The beer is then dry hopped with additional Target hops. The result is a delicious, slightly hoppier, beer

[11] Operating profit excluding separately disclosed items.

with all the balance of original London Pride. It still has a full flavour and is served colder, which appeals to today's craft beer drinker. Early signs are very positive and we are confident the beer will bring London Pride to a whole new audience. London Pride cask still remains the grand master of our beer portfolio and we will be unveiling exciting new plans for it later in the year.

London Pride has been supported by a number of exciting marketing initiatives during the period, particularly in the social media space. *Drop of Pride*, whereby offices can compete on Twitter using the hashtag #DropOfPride to have a one-off delivery of London Pride to their office on a Friday afternoon, has been shortlisted for an *Institute of Promotional Marketing* award. Meanwhile, #whenitrainsitpours, a combined Twitter and Periscope activation featuring weatherman Michael Fish, received over four million views. Consumers could receive a voucher for a free pint of London Pride when the live Periscope feed showed it was raining outside our pub The Hydrant at Monument. The site generated a fantastic response with the supporting ads reaching 11.2 million people and over 1,200 pints being given away over a three week period.

We continue to invest in our brewery, with the new cross-flow filter coming into action, helping improve the quality and range of our keg and bottled beers. We have made a number of other improvements that have resulted in a positive impact on our efficiency, such as new electric forklift trucks with lower carbon emissions and changes to our loading bank to create more space and easier stock movement. The Brewery team participated in our first ever Brewery employee engagement event, promoting and improving health and safety through an impactful, innovative and fun day. We are looking forward in the new financial year to improvements in the cask racking line and we will be building a pilot plant to allow our brewers to experiment and be even more creative.

Maintaining a wide portfolio of interesting brands is key to our success and while smaller brands may not generate huge volumes, they keep Fuller's top of mind with the beer cognoscenti and provide interest and excitement for our consumers. During the year, we have changed the look and feel of our seasonal portfolio, ensuring that the range is a perfect complement at all times to our core selection.

Finally, it has been a busy year for both Cornish Orchards and Nectar with notable infrastructure investments in both businesses. A new warehouse and new offices have been built at Duloe, where production has trebled since our acquisition in 2013. Meanwhile, at Nectar we have built a new warehouse which will double capacity. Both of these business are generating good returns for The Fuller's Beer Company and we look forward to helping them continue to grow in the future.

FINANCIAL PERFORMANCE

The Group has a strong financial position as a cash generative business with a high quality, mainly freehold asset base and a ratio of net debt to pro forma EBITDA[12] of 2.9 times (2016: 3.0 times).

We have grown revenue by 12% on the prior year with the majority of the growth driven by strong like for like trading within the Managed estate along with the impact of the five new and acquired pubs, four further Stable sites and the acquisition of Nectar in the prior period. Excluding Nectar our revenue has grown by 7%. Our operating profit before separately disclosed items grew by 5% to £42.9 million (2016: £40.9 million), with the largest contribution to growth again coming from the Managed Pubs and Hotels division, where profits grew by £1.5 million. The additional 53rd week contributed £8.0 million of revenue and £0.8 million of operating profit before separately disclosed items.

EBITDA[13] increased by 8% to £70.5 million (2016: £65.0 million) reflecting our continued investments in our estate leading to a depreciation and amortisation increase of 16% on the prior period. Net finance costs before separately disclosed items have increased by £0.6 million to £6.6 million with the significant capital investment in 2016 and continued investment in 2017 leading to a higher average level of debt compared to the prior period.

The Group generated cash from operating activities of £63.3 million (2016: £60.1 million). In line with our long term investment strategy, we invested £55.8 million in capital expenditure (2016: £80.7 million). We spent £35.0 million on continued investment in our existing business through pub refurbishment, new pub and restaurant site openings, investment in equipment at the Chiswick Brewery including the cross-flow filter, and increasing warehouse capacity at Cornish Orchards and Nectar.

We have also spent £16.6 million on the acquisition of four pubs that fit with our strategic goals – The Gun in London's Docklands, The Albert Arms in Esher, The King's Arms in Woodstock and The White Star in Southampton. During the period we have acquired an additional 25% share in The Stable Pizza & Cider Limited for £2.7 million, talking our ownership to 76%, and paid £1.2 million in deferred contingent consideration to the former owners of Cornish Orchards. Asset disposals from the sale of properties within the Tenanted portfolio raised £4.4 million and generated a separately disclosed profit of £0.9 million, which we will use to further invest in our estate as part of our property portfolio management.

The Group has £210 million of available long term facilities, £126.7 million of which has

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[12] Net debt to EBITDA is calculated on a pro forma basis adjusting as appropriate for acquisitions and disposals in the last 12 months.
[13] Earnings before separately disclosed items, interest, tax, depreciation and amortisation.

been extended for another year and is now available until August 2021. Of the remaining long term facilities, £33.3 million is available to August 2020 and £50 million is available until August 2019. An additional £20 million facility is available until August 2017. Our undrawn committed facilities at 1 April 2017 were £35.5 million, with a further £15.3 million of cash held on the balance sheet.

Net separately disclosed items before tax of £3.0 million comprised £0.9 million profit on property disposals, offset by £1.3 million of acquisition costs expensed, £1.5 million of business reorganisation costs, primarily related to The Fuller's Beer Company, £0.3 million deemed remuneration on the future purchase of shares in The Stable and a net interest charge on our pension deficit of £0.8 million. After separately disclosed items, profit before tax was therefore £39.9 million (2016: £39.2 million).

Tax has been provided for at an effective rate of 21.2% (2016: 20.5%) on adjusted profits. The overall effective tax rate of 18.5% benefits from the deferred tax credit of £1.0 million relating to the reduction in the UK corporation tax rate from 18% to 17% from 1 April 2020. A full analysis of the tax charge for the year is set out in note 5.

The defined benefit pension scheme deficit has increased by £14.4 million to £37.9 million (2016: £23.5 million). The calculated value of scheme liabilities has primarily increased due to a lower assumed discount rate and increase in the assumed inflation rate, this was partially offset by an increase in the fair value of scheme assets.

During the period 341,415 'A' ordinary 40p shares were purchased into treasury for a total of £3.5 million (2016: 274,000 'A' ordinary 40p shares and 1,000,000 'B' ordinary 4p shares for £4.4 million). In addition 105,764 'B' ordinary 4p shares were purchased for £0.1 million by or on behalf of the Trustees of the Long Term Incentive Plan to cover future issuance.

CURRENT TRADING AND PROSPECTS

We are only nine weeks in to the new financial year but we have had a very strong start, albeit against our softest quarter last year, with like for like sales in our Managed Pubs and Hotels up 6.6%, like for like profits in our Tenanted Inns up 5% and volumes in The Fuller's Beer Company rising 7%.

There are a number of headwinds that will have a significant financial impact on both Fuller's and the industry as a whole, but we face the future in a strong position. Our Managed Pubs and Hotels are in good shape and although there is a lot of work and a long way to go, we have a clear vision and solid strategy for both our Tenanted Inns and The Fuller's Beer Company.

We will continue to build and develop our business and have plans to invest £25 million, before allowing for any pubs we find to acquire. A further £5 million, which we will expense, has been allocated to the implementation of the once in a generation replacement of our core systems, which will equip us for further success in the coming years.

The projects that we have started today give us a solid digital foundation and a clear vision for the future. We will use integrated technology to get to know our customers and our teams better and form the best possible personal relationship with everyone who comes into contact with Fuller's.

In short, while we are cautious and realistic about the future, we are well-placed to continue to delight our customers, recruit and develop the best team members and reward our shareholders.

Simon Emeny
Chief Executive
8 June 2017

Fuller, Smith & Turner P.L.C.
Financial Highlights
For the 53 weeks ended 1 April 2017

	53 weeks ended 1 April 2017	52 weeks ended 26 March 2016	*Change 2016/2017*
Revenue	£392.0m	£350.5m	*+12%*
Adjusted profit [1]	£42.9m	£40.9m	*+5%*
Adjusted earnings per share [2]	61.39p	58.35p	*+5%*
EBITDA [3]	£70.5m	£65.0m	*+8%*
Basic earnings per share[4]	59.21p	59.25p	-
Profit before tax	£39.9m	£39.2m	*+2%*
Dividend per share [4]	18.80p	17.90p	*+5%*
Net debt [5]	£206.1m	£198.5m	
Pro forma net debt / EBITDA [6]	2.9x	3.0x	

[1] *Adjusted profit is the profit before tax excluding separately disclosed items.*
[2] *Calculated using adjusted profit after tax and the same weighted average number of shares as for the basic earnings per share and using a 40p ordinary share.*
[3] *Pre-exceptional earnings before interest, tax, depreciation, loss on disposal of plant and equipment, 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 calculated on a 12 month basis adjusting as appropriate for acquisitions and disposals.*

Fuller, Smith & Turner P.L.C.
Condensed Group Income Statement
For the 53 weeks ended 1 April 2017

		53 weeks ended 1 April 2017			52 weeks ended 26 March 2016		
	Note	**Before separately disclosed items £m**	**Separately disclosed items £m**	**Total £m**	Before separately disclosed items £m	Separately disclosed items £m	Total £m
Revenue	2	**392.0**	**–**	**392.0**	350.5	–	350.5
Operating costs	2	**(342.5)**	**(3.1)**	**(345.6)**	(303.6)	(3.9)	(307.5)
Operating profit		**49.5**	**(3.1)**	**46.4**	46.9	(3.9)	43.0
Profit on disposal of properties		**–**	**0.9**	**0.9**	–	2.9	2.9
Finance costs	4	**(6.6)**	**(0.8)**	**(7.4)**	(6.0)	(0.7)	(6.7)
Profit before tax		**42.9**	**(3.0)**	**39.9**	40.9	(1.7)	39.2
Taxation	5	**(9.1)**	**1.7**	**(7.4)**	(8.4)	2.2	(6.2)
Profit for the year		**33.8**	**(1.3)**	**32.5**	32.5	0.5	33.0
Attributable to:							
Equity shareholders of the Parent Company		**33.9**	**(1.2)**	**32.7**	32.3	0.5	32.8
Non-controlling interest		**(0.1)**	**(0.1)**	**(0.2)**	0.2	–	0.2

Earnings per share per 40p 'A' and 'C' ordinary share		**Pence**	**Pence**	Pence	Pence
Basic	6		**59.21**		59.25
Diluted	6		**58.54**		58.45
Adjusted	6	**61.39**		58.35	
Diluted adjusted	6	**60.69**		57.56	
Earnings per share per 4p 'B' ordinary share					
Basic	6		**5.92**		5.93
Diluted	6		**5.85**		5.85
Adjusted	6	**6.14**		5.84	
Diluted adjusted	6	**6.07**		5.76	

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 53 weeks ended 1 April 2017

	Note	**53 weeks ended 1 April 2017 £m**	52 weeks ended 26 March 2016 £m
Profit for the year		**32.5**	33.0
Items that may be reclassified to profit or loss			
Net losses on valuation of financial assets and liabilities		**–**	(0.3)
Tax related to items that may be reclassified to profit or loss		**–**	0.1
Items that will not be reclassified to profit or loss			
Net actuarial (losses)/gains on pension schemes	10	**(14.6)**	0.7
Tax related to items that will not be reclassified to profit or loss	5	**2.1**	(0.8)
Other comprehensive loss for the year, net of tax		**(12.5)**	(0.3)
Total comprehensive income for the year, net of tax		**20.0**	32.7
Total comprehensive income attributable to:			
Equity shareholders of the Parent Company		**20.2**	32.5
Non-controlling interest		**(0.2)**	0.2

Fuller, Smith & Turner P.L.C.
Condensed Group Balance Sheet
As at 1 April 2017

	Note	**1 April 2017 £m**	26 March 2016 £m
Non-current assets			
Intangible assets		**39.0**	39.8
Property, plant and equipment	8	**557.5**	533.8
Investment properties		**4.7**	4.6
Other financial assets		**0.1**	0.1
Other non-current assets		**0.4**	0.3
Deferred tax assets		**10.4**	8.3
Total non-current assets		**612.1**	586.9
Current assets			
Inventories		**14.0**	12.4
Trade and other receivables		**21.6**	21.0
Cash and short term deposits	11	**15.3**	6.2
Total current assets		**50.9**	39.6
Assets classified as held for sale		**5.9**	0.5
Current liabilities			
Trade and other payables		**(68.6)**	(60.8)
Current tax payable		**(4.6)**	(4.4)
Provisions		**(0.5)**	(0.4)
Borrowings	11	**(20.0)**	(20.0)
Total current liabilities		**(93.7)**	(85.6)
Non-current liabilities			
Borrowings	11	**(201.4)**	(184.7)
Other financial liabilities		**(8.5)**	(10.7)
Retirement benefit obligations	10	**(37.9)**	(23.5)
Deferred tax liabilities		**(16.8)**	(19.0)
Provisions		**(0.7)**	(2.2)
Other non-current payables		**(0.2)**	(0.4)
Total non-current liabilities		**(265.5)**	(240.5)
Net assets		**309.7**	300.9
Capital and reserves			
Share capital		**22.8**	22.8
Share premium account		**4.8**	4.8
Capital redemption reserve		**3.1**	3.1
Own shares		**(16.7)**	(15.8)
Hedging reserve		**(2.6)**	(2.6)
Retained earnings		**301.4**	293.0
Equity attributable to equity holders of the parent		**312.8**	305.3
Non-controlling interest		**(3.1)**	(4.4)
Total equity		**309.7**	300.9

Approved by the Board and signed on 8 June 2017.

M J Turner, FCA
Chairman

Fuller, Smith & Turner P.L.C.
Group Statement of Changes in Equity
For the 53 weeks ended 1 April 2017

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Hedging reserve £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
At 28 March 2015	**22.8**	**4.8**	**3.1**	**(13.5)**	**(2.4)**	**270.0**	**284.8**	**(3.1)**	**281.7**
Profit for the year	–	–	–	–	–	32.8	32.8	0.2	33.0
Other comprehensive loss for the year	–	–	–	–	(0.2)	(0.1)	(0.3)	–	(0.3)
Total comprehensive (loss)/income for the year	**–**	**–**	**–**	**–**	**(0.2)**	**32.7**	**32.5**	**0.2**	**32.7**
Shares purchased to be held in ESOT or as treasury	–	–	–	(6.2)	–	–	(6.2)	–	(6.2)
Shares released from ESOT and treasury	–	–	–	3.9	–	(3.1)	0.8	–	0.8
Dividends (note 7)	–	–	–	–	–	(9.5)	(9.5)	–	(9.5)
Share-based payment charges	–	–	–	–	–	2.6	2.6	–	2.6
Tax credited directly to equity (note 5)	–	–	–	–	–	0.3	0.3	–	0.3
Adjustments arising from change in non-controlling interest	–	–	–	–	–	–	–	(1.5)	(1.5)
Total transactions with owners	**–**	**–**	**–**	**(2.3)**	**–**	**(9.7)**	**(12.0)**	**(1.5)**	**(13.5)**
At 26 March 2016	**22.8**	**4.8**	**3.1**	**(15.8)**	**(2.6)**	**293.0**	**305.3**	**(4.4)**	**300.9**
Profit for the year	–	–	–	–	–	32.7	32.7	(0.2)	32.5
Other comprehensive loss for the year	–	–	–	–	–	(12.5)	(12.5)	–	(12.5)
Total comprehensive (loss)/income for the year	**–**	**–**	**–**	**–**	**–**	**20.2**	**20.2**	**(0.2)**	**20.0**
Shares purchased to be held in ESOT or as treasury	–	–	–	(3.6)	–	–	(3.6)	–	(3.6)
Shares released from ESOT and treasury	–	–	–	2.7	–	(2.1)	0.6	–	0.6
Dividends (note 7)	–	–	–	–	–	(10.1)	(10.1)	–	(10.1)
Share-based payment charges	–	–	–	–	–	1.7	1.7	–	1.7
Tax credited directly to equity (note 5)	–	–	–	–	–	0.2	0.2	–	0.2
Adjustments arising from change in non-controlling interest	–	–	–	–	–	(1.5)	(1.5)	1.5	–
Total transactions with owners	**–**	**–**	**–**	**(0.9)**	**–**	**(11.8)**	**(12.7)**	**1.5**	**(11.2)**
At 1 April 2017	**22.8**	**4.8**	**3.1**	**(16.7)**	**(2.6)**	**301.4**	**312.8**	**(3.1)**	**309.7**

Fuller, Smith & Turner P.L.C.
Group Cash Flow Statement
For the 53 weeks ended 1 April 2017

	Note	**53 weeks ended 1 April 2017 £m**	52 weeks ended 26 March 2016 £m
Profit before tax		**39.9**	39.2
Net finance costs before separately disclosed items		**6.6**	6.0
Separately disclosed items	3	**3.0**	1.7
Depreciation and amortisation		**21.0**	18.1
		70.5	65.0
Difference between pension charge and cash paid		**(1.0)**	(1.0)
Share-based payment charges		**1.7**	2.6
Change in trade and other receivables		**(0.6)**	(0.3)
Change in inventories		**(1.6)**	(0.3)
Change in trade and other payables		**5.9**	3.7
Cash impact of operating separately disclosed items	3	**(2.4)**	(1.1)
Cash generated from operations		**72.5**	68.6
Tax paid		**(9.2)**	(8.5)
Cash generated from operating activities		**63.3**	60.1
Cash flow from investing activities			
Business combinations	9	**(20.8)**	(14.7)
Purchase of property, plant and equipment		**(35.0)**	(66.0)
Cash acquired on acquisition		**–**	0.9
Sale of property, plant and equipment		**4.4**	5.1
Net cash outflow from investing activities		**(51.4)**	(74.7)
Cash flow from financing activities			
Purchase of own shares		**(3.6)**	(6.2)
Receipts on release of own shares to option schemes		**0.6**	0.8
Interest paid		**(5.9)**	(5.3)
Preference dividends paid	7	**(0.1)**	(0.1)
Equity dividends paid	7	**(10.1)**	(9.5)
Drawdown of bank loans		**16.5**	36.4
Repayment of other loans		**–**	(0.2)
Cost of refinancing		**(0.1)**	(0.2)
Cost of new derivative instruments		**(0.1)**	–
Net cash (outflow)/inflow from financing activities		**(2.8)**	15.7
Net movement in cash and cash equivalents		**9.1**	1.1
Cash and cash equivalents at the start of the year	11	**6.2**	5.1
Cash and cash equivalents at the end of the year	11	**15.3**	6.2

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 53 weeks ended 1 April 2017

1. Preliminary Statement

The consolidated financial statements of Fuller, Smith & Turner P.L.C. for the 53 weeks ended 1 April 2017 were authorised for issue by the Board of Directors on 8 June 2017.

This statement does not constitute statutory financial statements as defined by Section 435 of the Companies Act 2006. The financial information for the 53 weeks ended 1 April 2017 has been extracted from the statutory financial statements on which an unmodified audit opinion has been issued and will be delivered to the Registrar of Companies following the Company's Annual General Meeting. Statutory financial statements for the 52 weeks ended 26 March 2016, including an unmodified auditor's report which did not make any statement under Section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies.

The Group financial statements are presented in Sterling and all values are shown in millions of pounds (£m) rounded to the nearest hundred thousand pounds, except when otherwise indicated. The accounting policies used have been applied consistently, except where set out below, and are described in full in the statutory financial statements for the 53 weeks ended 1 April 2017, which will be mailed to shareholders on or before 23 June 2017 and delivered to the Registrar of Companies. The financial statements will also be available from the Company's registered office: Griffin Brewery, Chiswick Lane South, Chiswick, London, W4 2QB, and on its website, from that date.

2. Segmental Analysis

For management purposes, the Group's operating segments are:

- Managed Pubs and Hotels, which comprises managed pubs, managed hotels, and The Stable Pizza & Cider Limited;
- Tenanted Inns, which comprises pubs operated by third parties under tenancy or lease agreements; and
- The Fuller's Beer Company, which comprises the brewing and distribution of beer, cider, wines, spirits and soft drinks, and Nectar Imports Limited.

The Group's business is vertically integrated. The most important measure used to evaluate the performance of the business is adjusted profit, which is the profit before tax, adjusted for separately disclosed items. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic operating unit. More details of these segments are given in the Chief Executive's Review. Segment performance is evaluated based on operating profit before separately disclosed items and is measured consistently with the operating profit before separately disclosed items in the consolidated financial statements.

Transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between operating segments. Those transfers are eliminated on consolidation. Group financing, including finance costs and revenue, and taxation are managed on a Group basis.

2. Segmental Analysis (continued)

53 weeks ended 1 April 2017	Managed Pubs and Hotels £m	Tenanted Inns £m	The Fuller's Beer Company £m	Unallocated[1] £m	Total £m
Revenue					
Segment revenue	**261.3**	**31.2**	**147.9**	**–**	**440.4**
Inter-segment sales			**(48.4)**	**–**	**(48.4)**
Revenue from third parties	**261.3**	**31.2**	**99.5**	**–**	**392.0**
Segment result	**32.4**	**13.2**	**8.0**	**(4.1)**	**49.5**
Operating separately disclosed items					**(3.1)**
Operating profit					**46.4**
Profit on disposal of properties					**0.9**
Net finance costs					**(7.4)**
Profit before tax					**39.9**
Other segment information					
Capital expenditure: property, plant and equipment	**26.0**	**2.1**	**6.9**	**–**	**35.0**
Business combinations	**19.3**	**–**	**1.5**	**–**	**20.8**
Depreciation and amortisation	**15.7**	**1.6**	**3.7**	**–**	**21.0**
Impairment of property	**–**	**–**	**–**	**–**	**–**
Reversal of impairment on property	**–**	**–**	**–**	**–**	**–**

1 Unallocated expenses represent primarily the salaries and costs of central management.

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

1 Unallocated expenses represent primarily the salaries and costs of central management.

3. Separately Disclosed Items

	53 weeks ended 1 April 2017 £m	52 weeks ended 26 March 2016 £m
Amounts included in operating profit:		
Acquisition costs	**(1.3)**	(1.1)
Reorganisation cost	**(1.5)**	–
Deemed remuneration on the future purchase of shares in The Stable	**(0.3)**	(2.2)
Impairment of properties	**–**	(1.4)
Reversal of impairment on property	**–**	0.6
Onerous lease provision release/(charge)	**–**	0.2
Total separately disclosed items included in operating profit	**(3.1)**	(3.9)
Profit on disposal of properties	**0.9**	2.9
Separately disclosed finance costs:		
Finance charge on net pension liabilities (note 10)	**(0.8)**	(0.8)
Movement in fair value of financial instruments	**–**	0.1
Total separately disclosed finance costs	**(0.8)**	(0.7)
Total separately disclosed items before tax	**(3.0)**	(1.7)
Separately disclosed tax:		
Change in corporation tax rate (note 5)	**1.0**	1.9
Profit on disposal of properties	**–**	(0.5)
Other items	**0.7**	0.8
Total separately disclosed tax	**1.7**	2.2
Total separately disclosed items	**(1.3)**	0.5

Acquisition costs of £1.3 million during the 53 weeks ended 1 April 2017 (2016: £1.1 million) relate to transaction costs on site acquisitions both completed and aborted. In the 52 weeks ended 26 March 2016, the costs incurred related to site and business acquisitions. See note 9.

The reorganisation costs of £1.5 million incurred in the period, were principally incurred within The Fuller's Beer Company and primarily relate to staff costs.

Deemed remuneration on the future purchase of shares in The Stable relates to the remuneration element of the increase in the estimated value of the option remaining on The Stable group of companies. The original option was over 49% of the shares, but during the current period, the Group exercised the option to purchase an additional 25% of the shares for £2.7 million, taking its shareholding to 76%. The current estimate of the amount payable for the remaining 24% is £3.4 million, of which £2.8 million is accrued at the balance sheet date, with the balance to be accrued over the remaining period to 31 March 2018.

There was no property impairment in the period. In the 52 weeks ended 26 March 2016, there was a write down of licensed properties to their recoverable value. The reversal of impairment credit of £0.6 million during the 52 weeks ended 26 March 2016 related to the write back of previously impaired licensed properties to their recoverable value.

The onerous lease provision release of £0.2 million in the prior period relates to a leasehold property disposed in the prior period.

The profit on disposal of properties of £0.9 million during the 53 weeks ended 1 April 2017 (2016: £2.9 million) relates to the disposal of six licensed properties (2016: five licensed properties).

The cash impact of separately disclosed items before tax for the 53 weeks ended 1 April 2017 was £2.4 million cash outflow (2016: £1.1 million cash outflow).

4. Finance Costs

	53 weeks ended 1 April 2017 £m	52 weeks ended 26 March 2016 £m
Interest expense arising on:		
Financial liabilities at amortised cost – loans and debentures	**6.2**	5.7
Financial liabilities at amortised cost – preference shares	**0.1**	0.1
Total interest expense for financial liabilities	**6.3**	5.8
Unwinding of discounts on provisions	**0.3**	0.2
Total finance costs before separately disclosed items	**6.6**	6.0
Finance charge on net pension liabilities (note 3)	**0.8**	0.8
Movement in fair value of financial instruments (note 3)	**–**	(0.1)
Total finance costs	**7.4**	6.7

5. Taxation

Tax on Profit on Ordinary Activities

	53 weeks ended 1 April 2017 £m	52 weeks ended 26 March 2016 £m
Tax charged in the Income Statement		
Current income tax:		
Corporation tax	**9.6**	9.3
Amounts (over)/under provided in previous years	**(0.1)**	–
Total current income tax	**9.5**	9.3
Deferred tax:		
Origination and reversal of temporary differences	**(1.0)**	(1.2)
Change in corporation tax rate (note 3)	**(1.0)**	(1.9)
Amounts (over)/under provided in previous years	**(0.1)**	–
Total deferred tax	**(2.1)**	(3.1)
Total tax charged in the Income Statement	**7.4**	6.2
Analysed as:		
Before separately disclosed items	**9.1**	8.4
Separately disclosed items	**(1.7)**	(2.2)
	7.4	6.2

5. Taxation (continued)

Reconciliation of the Total Tax Charge
The tax expense in the Income Statement for the year is lower than the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are reconciled below:

	53 weeks ended 1 April 2017 £m	52 weeks ended 26 March 2016 £m
Profit from continuing operations before taxation	**39.9**	39.2
Accounting profit multiplied by the UK standard rate of corporation tax of 20% (2016: 20%)	**8.0**	7.8
Items not deductible for tax purposes	**0.5**	0.5
Current and deferred tax overprovided in previous years	**(0.2)**	–
Change in corporation tax rate	**(1.0)**	(1.9)
Other	**0.1**	(0.2)
Total tax charged in the Income Statement	**7.4**	6.2

Deferred tax relating to items charged/(credited) to the Income Statement

	53 weeks ended 1 April 2017 £m	52 weeks ended 26 March 2016 £m
Deferred tax depreciation	**(1.5)**	(2.3)
Rolled over capital gains	**(0.6)**	(0.1)
Retirement benefit obligations	**–**	(0.1)
Tax losses carried forward	**–**	(0.1)
Employee share schemes	**0.1**	–
Pub acquisition costs	**(0.1)**	(0.1)
Others	**–**	(0.4)
Deferred tax in the Income Statement	**(2.1)**	(3.1)

Tax relating to items charged/(credited) to the Statement of Comprehensive Income

	53 weeks ended 1 April 2017 £m	52 weeks ended 26 March 2016 £m
Deferred tax:		
Change in corporation tax rate	**0.3**	0.6
Net actuarial (losses)/gains on pension scheme	**(2.4)**	0.1
Total tax charged in the Statement of Comprehensive Income	**(2.1)**	0.7
Tax relating to items charged/(credited) directly to equity		
Deferred tax:		
Reduction in deferred tax liability due to indexation	**(0.1)**	–
Share-based payments	**–**	0.1
Current tax:		
Share-based payments	**(0.1)**	(0.4)
Total tax charged to equity	**(0.2)**	(0.3)

During the period The Finance Act 2016 received Royal Assent. The main impact was the reduction of the UK corporation tax rate from 18% to 17% from 1 April 2020. To the extent that this rate change will affect the amount of future cash tax payments to be made by the Group, this will reduce the size of both the Group's Balance Sheet deferred tax liability and deferred tax asset. The impact in the 53 weeks to 1 April 2017 was a credit to separately disclosed items in the Income Statement of £1.0 million, and a charge to the Statement of Comprehensive Income of £0.3 million.

6. Earnings Per Share

	53 weeks ended 1 April 2017 £m	52 weeks ended 26 March 2016 £m
Profit attributable to equity shareholders	**32.7**	32.8
Separately disclosed items net of tax	**1.2**	(0.5)
Adjusted earnings attributable to equity shareholders	**33.9**	32.3

	Number	Number
Weighted average share capital	**55,223,000**	55,356,000
Dilutive outstanding options and share awards	**636,000**	764,000
Diluted weighted average share capital	**55,859,000**	56,120,000

40p 'A' and 'C' ordinary share	Pence	Pence
Basic earnings per share	**59.21**	59.25
Diluted earnings per share	**58.54**	58.45
Adjusted earnings per share	**61.39**	58.35
Diluted adjusted earnings per share	**60.69**	57.56

4p 'B' ordinary share	Pence	Pence
Basic earnings per share	**5.92**	5.93
Diluted earnings per share	**5.85**	5.85
Adjusted earnings per share	**6.14**	5.84
Diluted adjusted earnings per share	**6.07**	5.76

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 1,760,953 (2016: 1,628,444).

Diluted earnings per share amounts are calculated using the same earnings figure as for basic earnings per share, divided by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Adjusted earnings per share are calculated on profit before tax excluding separately disclosed 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

	53 weeks ended 1 April 2017 £m	52 weeks ended 26 March 2016 £m
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend for 2016: 11.00p (2015: 10.20p)	**6.1**	5.6
Interim dividend for 2017: 7.25p (2016: 6.90p)	**4.0**	3.9
Equity dividends paid	**10.1**	9.5
Dividends on cumulative preference shares (note 4)	**0.1**	0.1
Proposed for approval at the Annual General Meeting:		
Final dividend for 2017: 11.55p (2016: 11.00p)	**6.4**	6.1

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

8. Property, Plant and Equipment

	Land & buildings £m	Plant, machinery & vehicles £m	Containers, fixtures & fittings £m	Total £m
Cost				
At 28 March 2015	438.8	37.8	128.7	605.3
Additions	48.3	2.4	18.5	69.2
Acquisitions (note 9)	13.3	0.7	0.2	14.2
Disposals	(3.0)	(2.1)	(6.9)	(12.0)
Transfer to assets held for sale	(0.5)	–	–	(0.5)
At 26 March 2016	496.9	38.8	140.5	676.2
Additions	13.3	2.8	19.8	35.9
Acquisitions (note 9)	16.4	–	0.2	16.6
Disposals	(3.4)	(1.2)	(6.3)	(10.9)
Transfers from investment property	0.5	–	–	0.5
Transfer to assets held for sale	(6.8)	–	(1.4)	(8.2)
At 1 April 2017	**516.9**	**40.4**	**152.8**	**710.1**
Depreciation and impairment				
At 28 March 2015	28.9	24.0	80.5	133.4
Provided during the year	3.3	2.1	11.9	17.3
Acquisitions (note 9)	0.1	0.4	0.1	0.6
Impairment loss net of reversals	0.8	–	–	0.8
Disposals	(1.2)	(2.2)	(6.3)	(9.7)
At 26 March 2016	31.9	24.3	86.2	142.4
Provided during the year	4.0	2.2	14.0	20.2
Disposals	(0.6)	(1.2)	(5.9)	(7.7)
Transfer to assets held for sale	(1.2)	–	(1.1)	(2.3)
At 1 April 2017	**34.1**	**25.3**	**93.2**	**152.6**
Net book value at 1 April 2017	**482.8**	**15.1**	**59.6**	**557.5**
Net book value at 26 March 2016	465.0	14.5	54.3	533.8
Net book value at 28 March 2015	409.9	13.8	48.2	471.9

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9. Business Combinations

During the 53 weeks ended 1 April 2017, the Company has individually acquired four new pubs for £16.6 million, all of which have been treated as business combinations as they were operating as a business at the point the Company acquired them.

On 27 May 2016, the Group purchased an additional 25% of the shares in The Stable Pizza & Cider Limited for £2.7 million, bringing the Group's interest in the Stable Pizza & Cider Limited to 76%. The Group has the option to acquire the remaining 24% of shares in 2018 and a liability of £2.8 million has been recognised at the balance sheet date, which reflects management's best estimate of the option value.

The Group has also paid £1.2 million in contingent consideration to the former owners of Cornish Orchards Limited, which was acquired on 4 June 2013, and £0.3 million to the company that formerly held the import and distribution rights to Sierra Nevada.

In the prior year, the Company purchased a 51% holding in Nectar Imports Limited which is a wholesale distributor and 100% of G & M Leisure Limited, which operates The Lord Northbrook pub in Lee, South East London. Additional contingent consideration of £2.5 million has been recognised as a balance sheet liability in relation to the acquisition of Nectar Imports Limited and reflects management's best estimate of the likely amount to be paid out for the remaining 49% of the business. Under the terms of the agreement the total consideration will not exceed £10 million.

10. Pensions

Total amounts included in the Balance Sheet arising from the Group's pension obligations in respect of its defined benefit retirement plan are:

	2017 **£m**	2016 £m
Fair value of Scheme assets	**111.4**	96.0
Present value of Scheme liabilities	**(149.3)**	(119.5)
Deficit in the Scheme	**(37.9)**	(23.5)

10. Pensions (continued)

	Defined benefit obligation		Fair value of Scheme assets		Net defined benefit / (deficit)	
	2017 £m	2016 £m	**2017 £m**	2016 £m	**2017 £m**	2016 £m
Balance at beginning of the year	**(119.5)**	(127.9)	**96.0**	103.5	**(23.5)**	(24.4)
Included in profit and loss						
Current service cost	**–**	–	**(0.3)**	(0.2)	**(0.3)**	(0.2)
Curtailment gain	**–**	–	**–**	–	**–**	
Net interest cost	**(4.2)**	(4.2)	**3.4**	3.4	**(0.8)**	(0.8)
	(4.2)	(4.2)	**3.1**	3.2	**(1.1)**	(1.0)
Included in Other Comprehensive Income						
Actuarial gains/(losses) relating to:						
Actual return less expected return on Scheme assets	**–**	–	**15.5**	(6.8)	**15.5**	(6.8)
Experience gains/(losses) arising on Scheme liabilities	**(30.1)**	7.5	**–**	–	**(30.1)**	7.5
	(30.1)	7.5	**15.5**	(6.8)	**(14.6)**	0.7
Other						
Employer contributions	**–**	0.2	**–**	–	**–**	0.2
Employer special contributions	**–**	–	**1.3**	1.0	**1.3**	1.0
Employee contributions	**–**	–	**–**	–	**–**	–
Benefits paid	**4.5**	4.9	**(4.5)**	(4.9)	**–**	–
	4.5	5.1	**(3.2)**	(3.9)	**1.3**	1.2
Balance at end of the year	**(149.3)**	(119.5)	**111.4**	96.0	**(37.9)**	(23.5)

The key assumptions used in the 2017 valuation of the Scheme are set out below:

Key financial assumptions used in the valuation of the Scheme	**2017**	2016
Rate of increase in pensions in payment	**3.30%**	3.05%
Discount rate	**2.60%**	3.55%
Inflation assumption – RPI	**3.30%**	3.05%
Inflation assumption – CPI	**2.30%**	2.05%

Mortality assumptions	**2017 Years**	2016 Years
Current pensioners (at 65) – males	**22.2**	22.2
Current pensioners (at 65) – females	**24.3**	24.4
Future pensioners (at 65) – males	**24.0**	23.6
Future pensioners (at 65) – females	**26.2**	25.9

Assets in the Scheme

	2017 £m	2016 £m
Corporate bonds	**21.8**	19.3
UK equities	**20.5**	24.4
Overseas equities	**26.3**	20.4
Alternatives	**37.0**	28.3
Property	**–**	1.0
Cash	**2.3**	1.4
Annuities	**3.5**	1.2
Total market value of assets	**111.4**	96.0

11. Cash, Borrowings and Net Debt

Analysis of Net Debt

	At 26 March 2016 £m	**Cash flows £m**	**Non-cash[1] £m**	**At 1 April 2017 £m**
Cash and cash equivalents				
Cash and short term deposits	6.2	**9.1**	**–**	**15.3**
	6.2	**9.1**	**–**	**15.3**
Debt				
Bank loans[2]	(177.0)	**(16.5)**	**(0.2)**	**(193.7)**
Other loans	(0.2)	**–**	**–**	**(0.2)**
Debenture stock	(25.9)	**–**	**–**	**(25.9)**
Preference shares	(1.6)	**–**	**–**	**(1.6)**
	(204.7)	**(16.5)**	**(0.2)**	**(221.4)**
Net debt	(198.5)	**(7.4)**	**(0.2)**	**(206.1)**

[1] Non-cash movements relate to the amortisation of arrangement fees
[2] Bank loans net of arrangement fees

	At 28 March 2015 £m	Cash flows £m	Non-cash[1] £m	At 26 March 2016 £m
Cash and cash equivalents				
Cash and short term deposits	5.1	1.1	–	6.2
	5.1	1.1	–	6.2
Debt				
Bank loans[2]	(140.0)	(36.2)	(0.8)	(177.0)
Other loans	(0.2)	0.2	(0.2)	(0.2)
Debenture stock	(25.9)	–	–	(25.9)
Preference shares	(1.6)	–	–	(1.6)
	(167.7)	(36.0)	(1.0)	(204.7)
Net debt	(162.6)	(34.9)	(1.0)	(198.5)

[1] Non-cash movements relate to the amortisation of arrangement fees and the acquisition of Nectar Imports Limited and G & M Leisure Limited during the year.
[2] Bank loans net of arrangement fees.

12. Post Balance Sheet Event

Following the period end the Company sold two Tenanted properties classified as assets held for sale at 1 April 2017 for £1.7 million.