

JD WETHERSPOON PLC

Preliminary Results 2008



5 September 2008

Highlights - Year to 27 July 2008



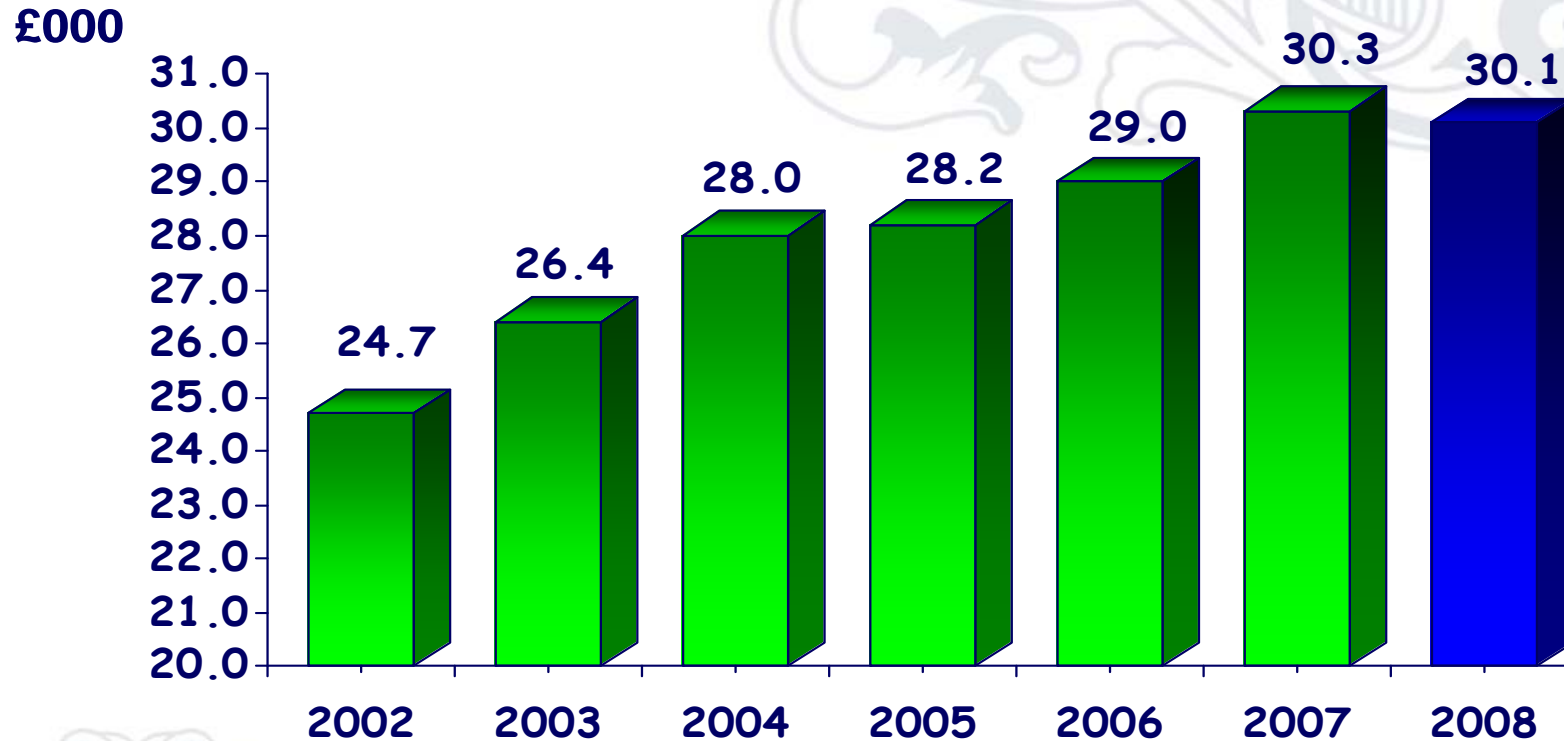
- Revenue up 2.1% to £907.5m (LFL -1.1%)
- Operating profit down 4.3% to £87.2m
- Operating margin down 0.6% pts to 9.6%
- Adjusted profit before tax down 11.4% to £55.0m*
- Statutory profit before tax down 12.7% to £54.2m**
- Adjusted earnings per share down 8.4% to 25.7p***
- Statutory earnings per share down 20.9% to 25.2p
- Free cash flow per share 50.7p (2007: 35.6p)
- Dividend per share 12.0p (2007: 12.0p)

* Excluding exceptional fair value loss on financial derivatives of £0.8m

** Including exceptional fair value loss on financial derivatives of £0.8m

*** Earnings excluding exceptional fair value loss in FY08 and excluding benefit of change in corporation tax rate in FY07

Average Sales Per Pub Week (including VAT)



Sales resilient despite non-smoking

Like-for-Like Sales/Profits



%	2008	2007	2006	2005	2004
Bar	-4.3	+3.3	+2.2	-1.4	+2.9
Food	+7.9	+12.6	+3.6	+2.1	+4.2
Machines	-5.8	+2.7	-1.4	-2.4	+6.1
Total LFL sales	-1.1	+5.6	+2.0	-0.6	+3.4
LFL profits	-6.6	+7.0	+5.9	-4.0	-0.7

Strong food sales and bar recovered slightly in second half of the year

Operating Margin



- Gross margin decline
 - Food costs
 - Marketing
- Wages increased
 - Pay rates
 - Food service costs
- Operating costs
 - Lower utilities
- Depreciation
 - Investment in facilities

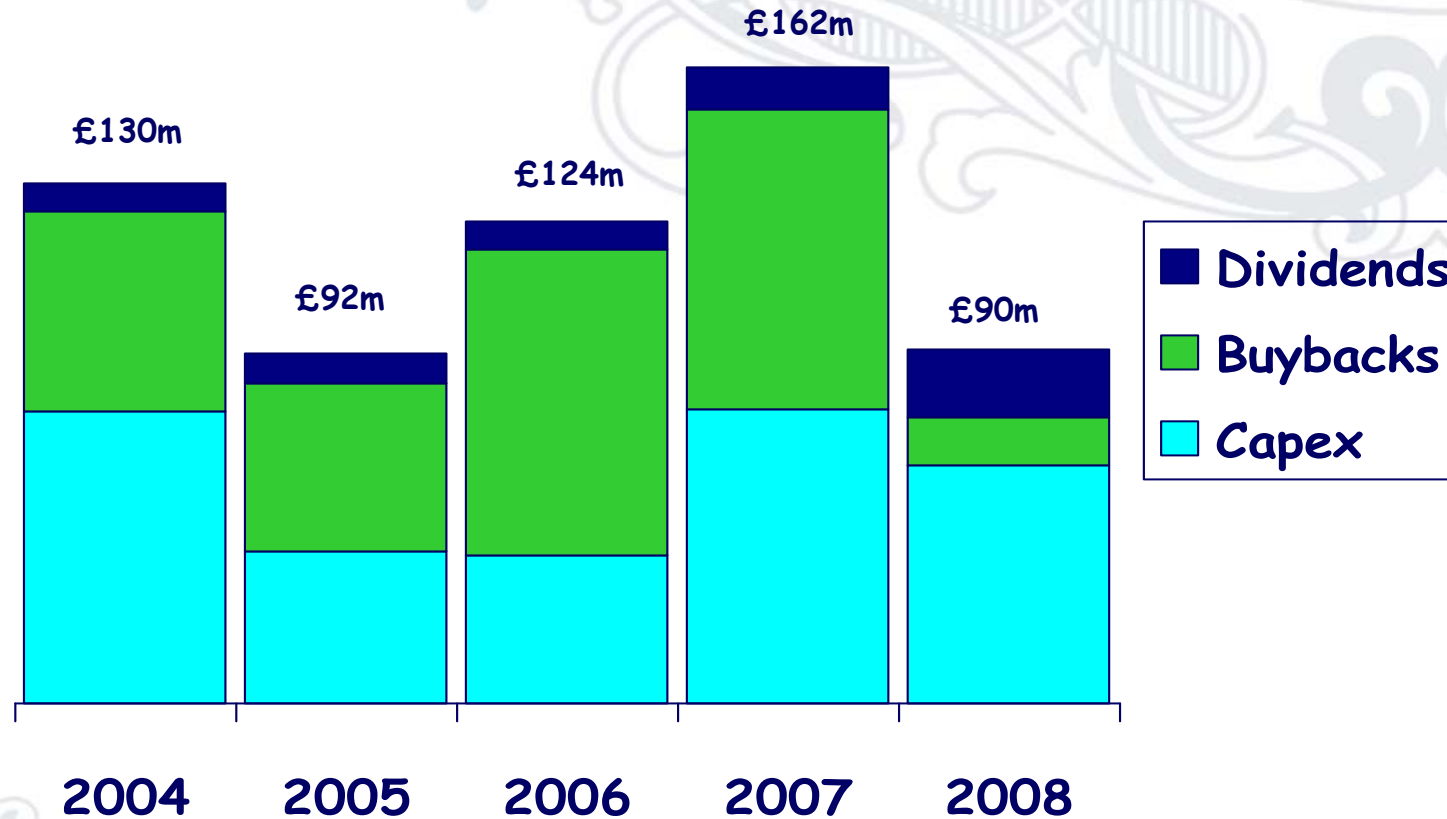
Net decline in operating margin of 65 basis points

Operating Margin - Summary



	2008 £000	2008 % of Sales	2007 £000	2007 % of Sales
Turnover	907,500	-	888,473	-
Pub operating profit	173,955	19.2	174,201	19.6
Head office costs	(38,125)	(4.2)	(36,461)	(4.1)
Share Incentive Plan	(2,319)	(0.3)	(3,086)	(0.3)
Depreciation	(45,062)	(5.0)	(43,946)	(4.9)
(Loss)/gain on disposal	(1,268)	(0.1)	1,282	-
Impairment provision	-	-	(876)	-
Operating Profit	87,182	9.6	91,113	10.3

Allocation of Resources



Careful management of resources



Capital Expenditure

- Total £60.9m
 - 2008 openings £31.0m
 - 2009 openings £17.6m
 - re-investment £12.3m
- Re-investment £12.3m
 - £3.1m non-smoking
 - £1.0m refurbishments
 - £4.6m fixtures and fittings
 - £3.6m head office (including £2m till project)

Continued investment in the business



Movement in Net Borrowings

- Free cash flow improved to £71.7m (2007: £52.4m)
- Free cash flow per share 50.7p (2007: 35.6p)
- Capital expenditure on new pubs covered by free cash flow
- Overall increase in net borrowings of £5.8m during the year (2007: £78.2m increase)
- Total net borrowings £439.6m (2007: £433.8m)

Record year for free cash flow

Cash Flow



	£'000	2008	2007
Cash from operations		134,369	124,933
Interest and tax		(47,194)	(47,019)
Investment in existing pubs		(12,323)	(24,046)
Investment in own shares (SIP)		(3,181)	(1,489)
Free cash flow		71,671	52,379
Dividends		(17,380)	(10,295)
Disposal proceeds		793	4,768
Investments in new pubs		(48,559)	(51,951)
Cash flow before share capital changes		6,525	(5,099)
Share buybacks		(12,031)	(77,015)
Issue of new shares		461	5,927
Finance lease principal payments		(739)	(1,988)
Movement in net borrowings		(5,784)	(78,175)
Free cash flow per share		50.7p	35.6p



Debt Position

	2008	2007
• Net debt/ EBITDA	3.3	3.2
• Interest cover (times)	2.7	3.1
• Fixed charge cover (times)		
- statutory	1.6	1.8
- excluding depreciation *	2.2	2.3

* Excludes exceptional fair value loss on financial derivatives of £0.8m

Banking Facilities



- UK Banking Facility £415m
 - Matures December 2010
 - 10 participating lenders
 - £250m swap expiring in 2014
 - £150m swap until 2009 replaced by new swap until 2016
 - Average interest cost of swaps is 5.74%
- US Private Placement \$140m - £87m
 - Matures September 2009
 - Fully hedged
- Total facilities £522m (including overdraft)
- Unutilised banking facilities and cash balances of £82.6m as at 27th July 2008 (2007: £88.4m)

The company remains in a sound financial position



Dividends

- 4.4p interim dividend (2007: 4.0p)
- 7.6p final dividend (2007: 8.0p)
- Total of 12.0p for the year (2007: 12.0p)
- Dividend cover 2.1 (2007: 2.3)

Return of Capital

- 3.8m of shares bought at a cost of £12.0m
- Total of £282m since 2003

Total dividend unchanged



Property

- 23 pubs opened during the year, compared to 18 last year
- Targeting around 30 openings in FY 2008/09
- Strong pipeline
- 42% freehold
- Property prices and rent review settlements

Increased opportunities for profitable investment

ROC/CROCCE/ROE



	2008	2007
• P&L return on capital	10.8%**	11.7%*
• CROCCE	11.0%	12.2%
• P&L return on equity	18.8%**	20.2%*
• Cash return on equity	13.8%**	15.5%

* excludes one-off deferred tax credit

** excludes exceptional fair value loss on financial derivatives

Detailed calculations in appendix D



Trading Performance Summary

- Strong food sales
- Bar and machine sales impacted by non-smoking
- Reduction in operating margin driven by food costs, labour and marketing

Improvements In The Business



New Pub Openings

The Six Templars, Hertford - opened 3rd March 2008



New Pub Openings



The Flying Horse, Gatwick Airport - opened 19th May 2008



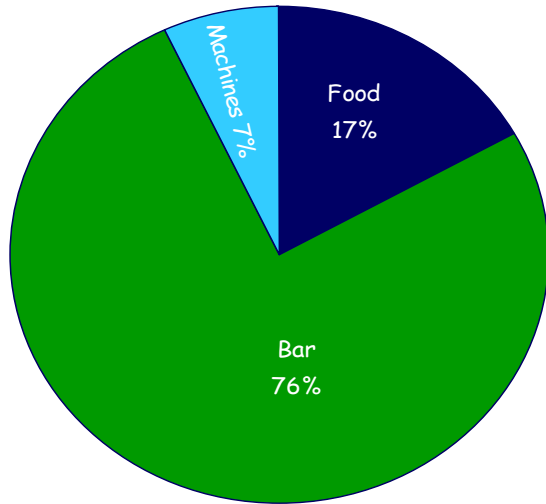
New Pub Openings



The Royal Hop Pole, Tewkesbury - opened 12th May 2008

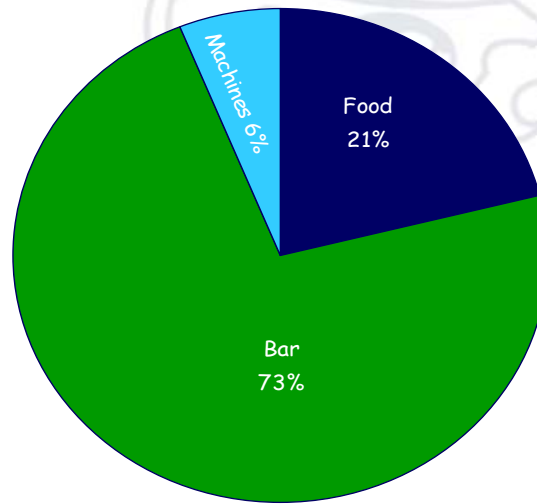


Developing Product Mix



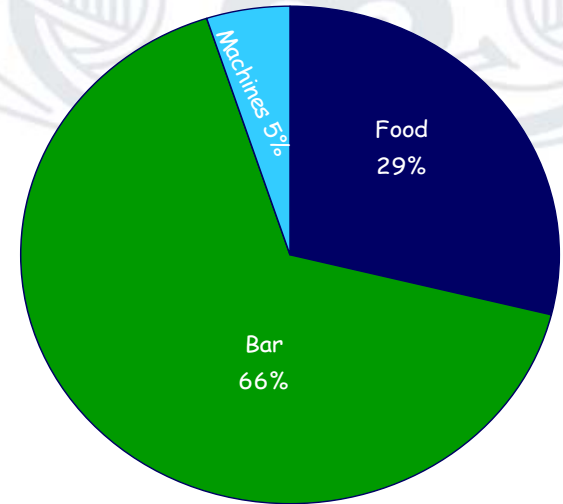
1997

(Sales £139m)



2002

(Sales £601m)



2008

(Sales £907m)

Food sales per week up to £8.8k from £3.3k over 11 years

Real Ale & Wine



- The biggest beer and wine festivals in the world - in the festivals held in H2 2008, each lasting 19 days, we sold 2.5m pints of real ale and 0.5m bottles of wine
- JDW stocks over 600 guest ales over the year
- 131 of our pubs are in the CAMRA Good Beer Guide 2007

On-trade Comparisons



- Total on-trade wine sales (AC Nielsen August 2008):
 - On-trade: decline of 3.6% to 9th August 2008
 - JD Wetherspoon wine sales up 3.5% for the year (LFL volume)
- Real ale sales (AC Nielsen July 2008):
 - On-trade: decline of 8.6% for the year to May 2008
 - JD Wetherspoon real ale sales up 6.2% for the year (LFL volume)



The Environment

- Recycling has exceeded 16,400 tonnes in 4 years
- FY08 recycled nearly 5,300 tonnes of cardboard, cooking oil, plastic, aluminium and paper
- 5,000 tonnes glass recycled last year
- Letsrecycle.com High Street Recycling Champion 2007



Investment in our Staff

- Comprehensive employee training system
- Award winning National Diploma in Leisure Retail Management Course
- Top 100 Employers Handbook, 5th year running
- Encourage internal promotion
- £16m paid in the year on employee bonuses plus free shares



JDW - Did You Know?

- Coldwater Creek, a brand unique to JDW, is twice the size of Blossom Hill in the managed on-trade.
- World's no. 1 seller of 'Tierra', Lavazza's sustainable coffee from Rainforest Alliance
- World's biggest seller of Kopparberg cider, outselling the whole of the Swedish home market
- Largest seller of Coors Light in the UK
- Over 650 pubs - 94% of the estate - is Cask Marque accredited
- JD Wetherspoon is the biggest seller of Pimm's in the world
- The No.1 fund raiser for CLIC Sargent (£2 million target now exceeded)



Pipeline

- 11 on site
- 10 permissions in place
- 26 deals agreed subject to permits
- 163 in negotiation
- 210 total pipeline



Current Trading and Outlook

- Record sales in 5 weeks to 31st August 2008:
 - Total sales +5.5%
 - LFL sales +1.1%
- Cost increases in energy, food, labour and tax
- Current estimate LFL sales growth of 3% to maintain trading performance
- Weaker comparatives
- Opportunities for profitable investment

Confident of longer term prospects



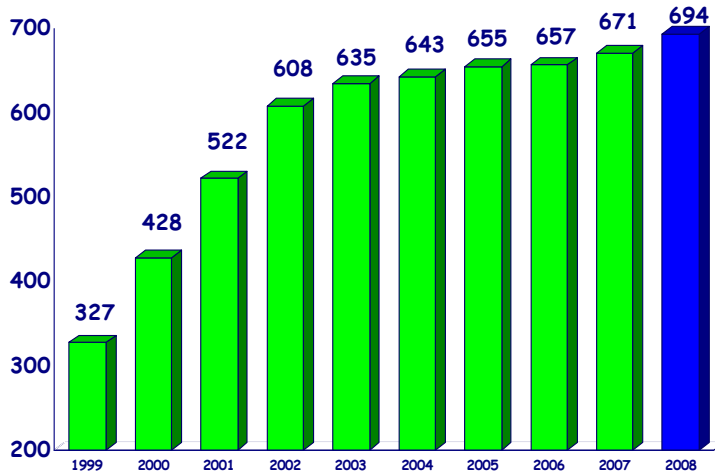
Appendices

- A - 10-year financial graphs
- B - 10-year trends
- C - Capital trends
- D - ROC/CROCCE/ROE calculations

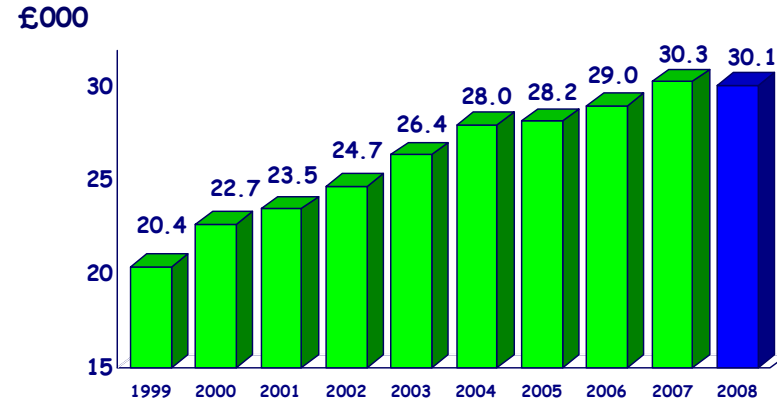
10-Year Summary



Number of Pubs

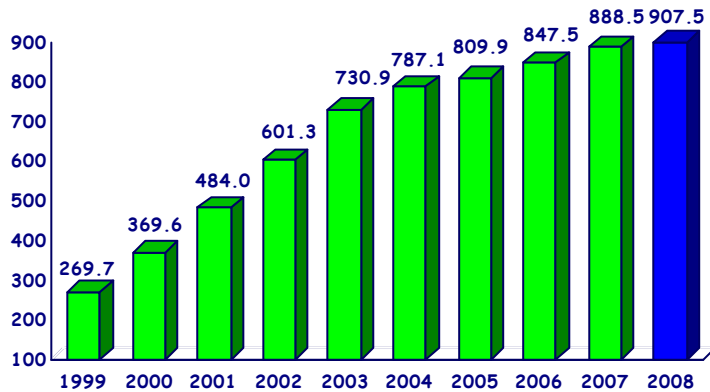


Average Sales Per Pub Week (including VAT)



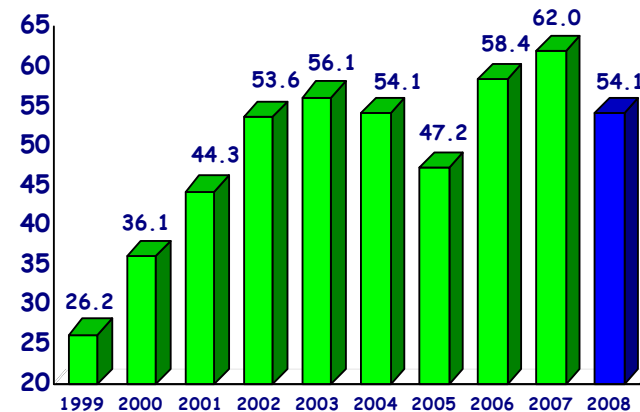
Turnover

£ millions



Profit Before Tax

£ millions





JDW - Financial Trends

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sales per pub (£000)	904	1,004	1,040	1,093	1,169	1,239	1,246	1,283	1,354	1,333
EBITDA per pub (£000) (1)	188.0	203.8	205.9	207.4	201.9	204.4	195.7	205.6	219.0	206.8
Number of pubs	327	428	522	608	635	643	655	657	671	694
% freeholds (%)	21	32	40	42	42	41	41	41	42	42
CROCCE (%) (2)	15.7	15.6	15.3	13.9	13.0	12.6	11.7	12.0	12.2	11.0
Cash return on equity (%) (2)	20.9	20.3	20.1	18.8	17.1	15.8	14.4	14.8	15.5	13.6
Free cash flow per share (pence)	20.3	24.2	29.1	33.5	38.8	36.7	37.1	42.1	35.6	50.7
Adjusted earnings per share (3)	9.4p	11.8p	14.2p	16.6p	17.0p	17.7p	16.9p	24.1p	28.1p	25.7p

- (1) Excluding sale & leaseback
 (2) See appendix D for calculation
 (3) Excluding exceptional items

Capital Trends

Appendix C



	2000	2001	2002	2003	2004	2005	2006	2007	2008
Average size (sq.ft.) - openings	3,217	3,526	3,808	3,721	4,317	4,176	3,928	3,855	3,618
Number of openings	101	94	87	45	28	13	9	18	23
% which are freehold	67	75	53	56	43	54	22	61	57
Freehold average cost (£k)	465	506	597	511	640	873	625	750	958
Average development cost (£k)	1,049	1,178	1,262	1,317	1,431	1,401	1,301	1,520	1,498
Average cost per sq. ft.	326	334	331	354	331	335	331	394	414
Increase in average cost (%)	4	2	-1	7	-6	1	-1	19	5
Population within 2 miles	77,000	70,000	70,000	73,000	51,000	64,000	59,000	45,000	50,000
Pub openings with external drinking (%)	73	62	46	51	54	62	88	100*	89*

*excluding 2 airport sites



ROC/CROCCE/ROE

	2008	2007
	£000	£000
Profit after tax	35,535	46,834
Less: deferred tax credit	-	(5,472)
Underlying PAT	(e) 35,535	41,362
Add: interest	(f) 33,023	29,089
Profit pre-interest	(g) 68,558	70,451
Deferred tax (credit) / charge	(128)	2,192
Depreciation	45,062	43,946
Cash return	(h) 113,492	116,589

• P&L return on capital [(g)/average (c)]	10.9%	11.7%
• CROCCE [(h)/average (d)]	11.0%	12.2%
• P&L return on equity [(e)/average (a)]	18.6%	20.2%
• Cash return on equity [(h)-(f)/average (d)-(b)]	13.6%	15.5%

Includes exceptional fair value loss on financial derivatives



ROC/CROCCE/ROE

	2008 £000	2007 £000
Shareholders' funds per balance sheet	180,547	172,607
Add: cum losses on disposal	13,884	13,884
: hedging provision	856	1,318
	(a) 195,287	187,809
Add: net debt	(b) 442,205	433,805
Capital employed	(c) 637,492	621,614
Add: deferred tax provision	78,648	79,400
Less: deferred tax asset	-	(975)
Cumulative depreciation	366,429	321,367
Less: revaluation reserve	(19,681)	(22,554)
Cash capital employed	(d) 1,062,888	998,852