

**22 JANUARY 2014**

**J D WETHERSPOON PLC**

**PRE-CLOSE STATEMENT**

J D Wetherspoon plc ('J D Wetherspoon' or the 'Company'), announces an update on current trading, before entering its closed period for its interim results, for the six months ending 26 January 2014, which are expected to be announced on 14 March 2014.

**Current trading**

For the first 12 weeks of the second quarter (to 19 January 2014), like-for-like sales increased by 6.7% and total sales by 10.6%. In the year to date (25 weeks to 19 January 2014), like-for-like sales increased by 5.2% and total sales increased by 9.0%.

We expect the operating margin (before any exceptional items), for the half year ending 26 January 2014, to be around 8.1%, 0.2% lower than the same period last year, due primarily to increased investment in a number of areas, for example, (IT, training and additional operating personnel) as we prepare for an increased number of pubs in the years ahead. We now estimate an operating margin (before any exceptional items) in the region of 8.1% to 8.3% for this financial year, assuming that we achieve reasonable sales growth.

We now anticipate a slightly higher corporation tax rate for this financial year, at around 27%, due to higher-than-expected non-qualifying capital expenditure.

**Property**

The Company has opened 18 new pubs so far this financial year and currently has 11 sites under development. In line with previous estimates, we intend to open approximately 40 to 50 pubs in the current financial year.

**Financial position**

In the period under review, the Company bought back 411,000 shares for cancellation, at a total cost of £2.9 million, at an average price of £6.98 per share. The Company also entered into agreements to fix the interest rates on part of its existing debt from July 2018 to July 2023 at rates which are lower than the average rate currently being paid (see note 4 below). There have been no significant changes in the Company's overall financial position since the publication, on 11 October 2013, of the annual report and accounts for the year ended 28 July 2013.

**Outlook**

As the Company has pointed out on previous occasions, the pub industry continues to pay far higher taxes than supermarkets do, mainly as a result of an unequal and unfair VAT and business rates burden. This tax inequality has greatly widened the pricing differential for beer and other products between the on and off trade. Approximately 10,000 pubs have shut down in the last decade, about 15% of the total, and these closures are certain to continue unless politicians and governments

create a fair tax system. Since pubs generate much higher taxes and many more jobs per pint or per meal than supermarkets do, tax equality would be beneficial for the wider economy, as well as the pub industry.

We have highlighted the impact on our margin of the increased investment which we are making to prepare for an increased number of pubs and the continued pressure from taxes. Assuming reasonable sales growth, the Company is targeting a reasonable outcome for the current financial year.

### **Enquiries:**

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### **Notes to editors**

1. J D Wetherspoon owns and operates pubs throughout the UK. The Company aims to provide customers with good-quality food and drink, served by well-trained and friendly staff, at reasonable prices. The pubs are individually designed, and the Company aims to maintain them in excellent condition.

2. Visit our website: [www.jdwetherspoon.co.uk](http://www.jdwetherspoon.co.uk)

3. This announcement has been prepared solely to provide additional information to the shareholders of JD Wetherspoon, to meet the requirements of the FCA's Disclosure and Transparency Rules. It should not be relied on by any other party, for any other purposes. Forward-looking statements have been made by the directors in good faith, using information available up until the date on which they approved this statement. Forward-looking statements should be regarded with caution, because of the inherent uncertainties in economic trends and business risks.

4. The Company has entered into forward-starting interest-rate swap agreements, totaling £400 million, which will run from July 2018 to July 2021 at a fixed rate of 3.73%. In addition, the Company has entered into forward-starting interest-rate swap agreements, totalling £150 million, which will run from July 2021 to July 2023 at a fixed rate of 3.80%.

5. The current financial year comprises 52 trading weeks to 27 July 2014.