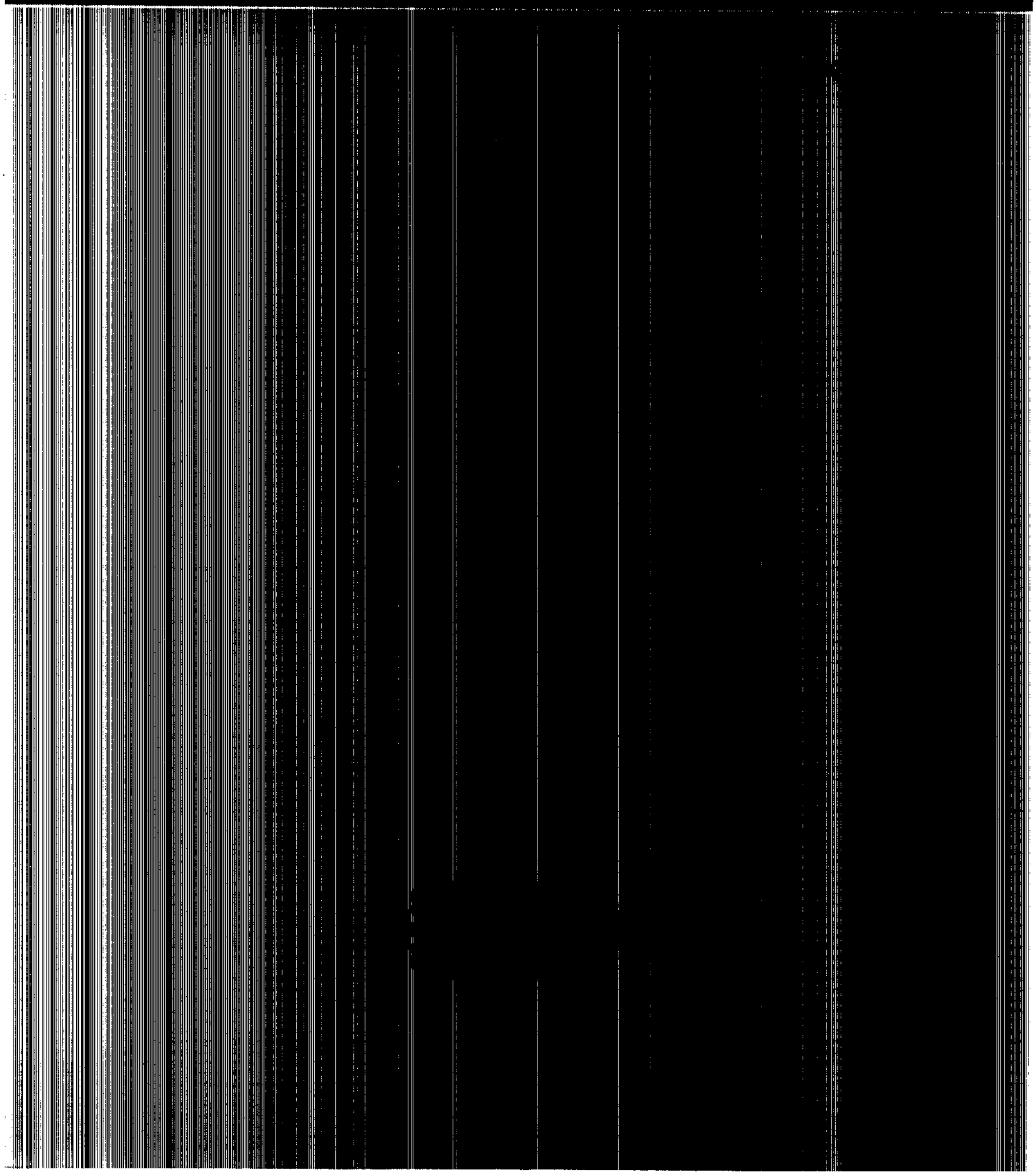
J D Wetherspoon plc



Turnover up 30% to £226.7m

Profit before tax up 31% to £20.5m

Earnings per share up 23% to 9.2p

Interim dividend per share up 10% to 1.0p

42 pubs opened, total now 470

J D WETHERSPOON

Chairman's statement

I am pleased to report further good progress during the half year. Sales increased by 30% to £226.7 million. Operating profit excluding sale & leaseback rentals increased by 24% to £30.9 million and profit before tax by 31% to £20.5 million. Earnings per share rose by 23% to 9.2p.

Capital investment was £73.9 million and net gearing at the period end was 68% (2000: 77%). Interest was covered 4.1 times (2000: 3.8 times) by operating profits. Operating margins before depreciation, sale & leaseback rentals, interest and tax were 19.8% compared to 19.7% last year.

Free cashflow, after capital investment of £9.3 million in existing pubs and payments of tax, interest and dividends, increased by 26% to £28.0 million resulting in cashflow per share of 13.3p before investment in new pubs.

Economic profit, calculated by adding depreciation to profit before tax and subtracting capital expenditure on existing pubs, increased by 36% to £25.0 million.

Dividends
The Board has declared an interim dividend of 1.0p per ordinary share, a 10% increase on last year. A scrip alternative will again be offered to shareholders.

Further Progress
We opened 42 pubs during the period bringing the total number to 470. The new pubs included our first two in Northern Ireland, in Ballymena and Belfast, which have traded extremely well. Other new openings are in a variety of towns and cities across England, Scotland and Wales and the initial levels of sales have been very encouraging.

Our existing pubs performed well with like-for-like sales increasing by 6.5% and like-for-like profit rising by 8.4%, on top of high growth in the comparable period last year.

During the period we continued to make progress on a number of fronts. We increased our investment in all areas of training, winning just after the period end the National Innkeeping Supreme Award for the Best Overall Training Programme for Managed Estates and The Best Course Designed to Develop Food and Catering Skills. We issued share options to 2993 people and paid out bonuses totalling £4.9 million to people working in our pubs.

We have also continued to try to improve the quality of traditional ales, an area often neglected by our main competitors, with 404 pubs awarded Cask Marque accreditation, a higher estate percentage, we believe, than any other pub company.

Head office staff and mystery visitors continue to visit each pub to monitor standards six times per month, with bonuses paid according to the level of standards on these visits. In addition, each pub has a quarterly food inspection from Egon Ronay and his associates, and each pub receives a quarterly environmental, health and safety check

continued

from our own consultants. We believe this helps us to achieve the highest average pub standards in the industry.

The group of 10 Lloyds pubs acquired at the end of the last financial year continue to show encouraging growth, with average gross weekly sales having now reached £18,300 compared to around £10,600 in the initial period of ownership.

During the period under review, as well as the training awards mentioned above, the Company was recognised in a number of areas including the following: Retailers Retailer Best Company 2000; Publican magazine Pub Company of the Year 2000; Management Today magazine Most Admired Drinks Company 2000; British Toilet Award 2000 and the Ease Award for disabled people.

People
Our continuing success depends entirely on the efforts of our people and I would like to thank them once again for an excellent effort in the last six months.

Prospects
Like-for-like sales in February 2001 increased by 3.1% following an increase of 14% in February 2000. In January we introduced a number of food and beverage offers in order to develop new avenues for future growth. These have been extremely successful in building sales volumes at some expense in respect of gross margins and labour costs.

We have opened 7 new pubs since the period end and the Company currently has licensing permission for a further 80 new pubs, 41 of which are in the course of construction. We have also agreed terms in principle for the acquisition of a further 79 sites.

As a result of our good performance in the six month period, our continuing sales growth, and the dedicated efforts of our staff, I remain confident of our future prospects.

Tim Martin
Chairman

9 March 2001

Profit and loss account

for the six months ended 28 January 2001

	Notes	Unaudited half year 2001 £000	Unaudited half year 2000 £000	Audited full year 2000 £000
Turnover		**226,694**	174,666	369,628
Operating profit	2	**27,090**	21,090	46,278
Net interest payable		**(6,622)**	(5,505)	(10,226)
Profit on ordinary activities before taxation		**20,468**	15,585	36,052
Tax on profit on ordinary activities	3	**(1,228)**	(779)	(1,785)
Profit on ordinary activities after taxation		**19,240**	14,806	34,267
Dividends	10	**(2,108)**	(1,904)	(5,599)
Retained profit for the period		**17,132**	12,902	28,668
Earnings per ordinary share	4	**9.2p**	7.5p	16.8p
Fully diluted earnings per ordinary share	4	**9.0p**	7.3p	16.4p
Dividend per share	10	**1.00p**	0.91p	2.67p

All activities relate to continuing operations.

There were no gains or losses recognised in any of the above periods other than the profit for the period.

Cash flow statement

for the six months ended 28 January 2001

	Notes	Unaudited half year 2001 £000	Unaudited half year 2001 £000	Unaudited half year 2000 £000	Unaudited half year 2000 £000	Audited full year 2000 £000	Audited full year 2000 £000
Net cash inflow from operating activities	5	**47,069**	**47,069**	37,701	37,701	76,165	76,165
Returns on investments and servicing of finance							
Interest received		**849**	**849**	763	763	2,412	2,412
Interest paid – existing pubs		**(7,403)**	**(7,403)**	(7,038)	(7,038)	(13,710)	(13,710)
Interest paid and capitalised into new pubs		**(1,545)**		(1,668)		(3,921)	
Purchase of current asset investments		**(241)**		–		–	
Net cash outflow from returns on investment and servicing of finance		**(8,340)**		(7,943)		(15,219)	
Taxation							
Corporation tax paid		**(205)**	**(205)**	(399)	(399)	(1,100)	(1,100)
Capital expenditure							
Purchase of tangible fixed assets for existing pubs		**(9,335)**	**(9,335)**	(6,589)	(6,589)	(14,471)	(14,471)
Proceeds of sale of tangible fixed assets		**–**		4,395		4,277	
Investment in new pubs and pub extensions		**(63,366)**		(70,890)		(136,612)	
Net cash outflow from capital expenditure		**(72,701)**		(73,084)		(146,806)	
Equity dividends paid		**(2,990)**	**(2,990)**	(2,190)	(2,190)	(3,785)	(3,785)
Net cash outflow before financing		**(37,167)**		(45,915)		(90,745)	
Financing							
Issue of ordinary shares		**1,148**		1,567		46,566	
Advances under bank loans		**2,591**		212,218		124,353	
Advances under US senior notes		**–**		–		86,815	
Repayments of secured bank loans		**–**		(187,882)		(187,882)	
Net cash inflow from financing		**3,739**		25,903		69,852	
Decrease in cash	6	**(33,428)**		(20,012)		(20,893)	
Free cash flow	4		**27,985**		22,248		45,511
Cash flow per ordinary share	4		**13.3p**		11.2p		22.3p

Summarised balance sheet

as at 28 January 2001

	Notes	**Unaudited half year 2001 £000**	Unaudited half year 2000 £000	Audited full year 2000 £000
Fixed assets				
Tangible assets	8	**565,036**	439,691	504,996
Current assets				
Investments		**241**	167	100
Stocks		**6,001**	4,003	4,686
Debtors due within one year		**7,927**	9,788	7,378
Debtors due after more than one year		**5,588**	5,588	5,588
Cash		**8,257**	42,566	41,685
		28,014	62,112	59,437
Creditors due within one year		**(75,349)**	(65,157)	(67,936)
Net current liabilities		**(47,335)**	(3,045)	(8,499)
Total assets less current liabilities		**517,701**	436,646	496,497
Creditors due after one year		**(216,197)**	(215,199)	(213,979)
Total net assets		**301,504**	221,447	282,518
Capital and reserves				
Called up share capital		**4,214**	3,990	4,198
Share premium account		**114,919**	67,984	113,081
Revaluation reserve		**24,158**	25,166	24,494
Profit and loss account		**158,213**	124,307	140,745
Equity shareholders' funds	9	**301,504**	221,447	282,518

Notes

1 Basis of preparation

The interim report for the six months ended 28 January 2001 is unaudited and does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. It has been prepared under the historical cost convention modified by the revaluation of freehold and leasehold properties, and on a basis consistent with the accounting policies for the year ended 30 July 2000. The results for the year ended 30 July 2000 and the balance sheet at that date are an extract from the statutory accounts for that year, which have been filed with the Registrar of Companies and on which the Company's auditors gave an unqualified report under Section 235 of the Companies Act 1985, which did not contain a statement under Section 237(2) or (3) of that Act. The results for the six months ended 30 January 2000 are an extract from the unaudited interim report for that period.

2 Operating profit

	Unaudited half year 2001 £000	Unaudited half year 2000 £000	Audited full year 2000 £000
Turnover	**226,694**	174,666	369,628
Cost of sales	**(188,515)**	(144,429)	(304,344)
Gross profit	**38,179**	30,237	65,284
Administrative expenses	**(11,089)**	(9,147)	(19,006)
Operating profit	**27,090**	21,090	46,278

Cost of sales includes distribution costs and all pub operating costs.

3 Taxation

The charge to corporation tax on the trading profit of the period, net of ACT offset, was £1.228 million, and does not bear a normal relationship to profit before tax because of the availability of tax allowances relating to capital expenditure in the current and past periods.

4 Earnings and cash flow per share

The calculation of basic earnings per share is based on profit on ordinary activities after taxation for the period of £19,240,000 (2000: £14,806,000) and on 210,172,175 ordinary shares (2000: 198,545,089), being the weighted average number of ordinary shares in issue and ranking for dividend during the period.

Fully diluted earnings per share has been calculated in accordance with FRS14 and is after allowing for the dilutive effect of the conversion into ordinary shares of the weighted average number of options outstanding during the period. The number of shares used for the fully diluted calculation is 213,055,507 (2000: 203,063,102)

The calculation of cash flow per share is based on the net cash generated by business activities and available for investment in new pub developments, and extensions to the trading area of existing pubs, after funding interest on existing pubs, tax and dividend payments and all other reinvestment in pubs open at the start of the period ('free cash flow'). It is calculated before taking into account inflows and outflows of financing from outside sources, and is based on the same number of shares in issue as for the calculation of basic earnings per share.

5 Net cash inflow from operating activities

	Unaudited half year 2001 £000	Unaudited half year 2000 £000	Audited full year 2000 £000
Operating profit	**27,091**	21,090	46,278
Depreciation of tangible fixed assets	**13,883**	9,420	20,946
Change in stocks	**(1,315)**	(158)	(841)
Change in debtors	**(533)**	(2,100)	779
Change in creditors	**7,943**	9,449	9,003
	47,069	37,701	76,165

6 Reconciliation of net cash flow to movement in net debt

	Unaudited half year 2001 £000	Unaudited half year 2000 £000	Audited full year 2000 £000
Decrease in cash in the year	**(33,428)**	(20,012)	(20,893)
Cash inflow from increase in debt financing	**(2,591)**	(24,336)	(23,286)
Movement in net debt during the period	**(36,019)**	(44,348)	(44,179)
Net debt at beginning of period	**(169,483)**	(125,304)	(125,304)
Net debt at end of period	**(205,502)**	(169,652)	(169,483)

7 Analysis of net debt

	Audited full year 2000 £000	Cash flow £000	Unaudited half year 2001 £000
Cash at bank and in hand	41,685	(33,428)	**8,257**
Debt due within one year	-	(2,500)	**(2,500)**
Debt due after one year	(211,168)	(91)	**(211,259)**
Net debt	(169,483)	(36,019)	**(205,502)**

8 Tangible fixed assets

	Unaudited half year 2001 £000	Unaudited half year 2000 £000	Audited full year 2000 £000
Opening net book value	**504,996**	370,148	370,148
Additions	**73,923**	78,963	155,794
Depreciation	**(13,883)**	(9,420)	(20,946)
Closing net book value	**565,036**	439,691	504,996

9 Capital, reserves and shareholders' funds

	Called up share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Unaudited half year 2001 shareholders' funds £000	Audited full year 2000 shareholders' funds £000
At start of period	4,198	113,081	24,494	140,745	**282,518**	205,996
Allotments	16	1,838			**1,854**	47,854
Transfer			(336)	336	**–**	
Profit for the period				19,240	**19,240**	34,267
Dividends				(2,108)	**(2,108)**	(5,599)
At end of period	**4,214**	**114,919**	**24,158**	**158,213**	**301,504**	282,518

10 Dividend

On 17 May 2001 the company will pay an interim dividend of 1.00 pence per share, for the half year ending 28 January 2001 to shareholders on the register at the close of business on 30 March 2001.

As in previous years, a scrip alternative will be offered. Many shareholders already participate in the scrip dividend scheme and wish to receive shares in lieu of cash, while others have previously received cash dividends and may wish to continue doing so. In either case shareholders need take no further action.

If any shareholder wishes to alter the form in which they receive their dividends, they should advise the company's registrars, Computershare Services plc, PO Box 82, The Pavilions, Bridgewater Road, Bristol, BS99 7NH in writing no later than 26 April 2001.

Independent Review Report to J D Wetherspoon Plc

Introduction
We have been instructed by the company to review the financial information set out on pages 3 to 8 and we have read the other information contained in the interim report for any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities
The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed
We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion
On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 28 January 2001.

PricewaterhouseCoopers
Chartered Accountants
London

9 March 2001