J D WETHERSPOON PLC

INTERIM REPORT 2006

Financial highlights

Turnover up 1% to

£406.3m

Operating profit up 15% to

£39.7m*

Profit before tax up 21% to

£27.4m*

Earnings per share up 31% to

10.6p*

Earnings per share (after exceptional items in the prior year) up 121% to

10.6p

Free cash flow per share

17.6p **(prior year 17.4p)**

Interim dividend per share up 10% to

1.6p

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*Before exceptional items in the prior year

Chairman's statement

The half year to 22 January 2006 was a period of good progress for the Company. Sales increased by 1% to £406.3 million (2005: £403.3 million). Operating profit increased by 15% (excluding exceptional items in the prior year) to £39.7 million (2005: £34.6 million) and profit before tax by 21% (excluding exceptional items in the prior year) to £27.4 million (2005: £22.6 million). Earnings per share increased by 31% (excluding exceptional items in the prior year) to 10.6p (2005: 8.1p), a faster rate than profit due to our share buyback programme.

Like-for-like sales decreased by 0.3% in the period and sales at new pubs were in line with expectations. The operating margin before interest and tax increased to 9.8% (2005: 8.6%), due to lower head office costs and improved pub profits. Net interest was covered 3.2 times (2005: 2.9 times) by operating profit. Total capital investment was £15.9 million and net gearing at the period end was 149% (2005: 120%).

..Sales increased by 1% to £406.3 million...

Free cash flow (after capital investment of £6.7 million in existing pubs, £1.8 million in respect of share purchases under the Company's Share Incentive Plan and payments of tax and interest) declined to £30 million (2005: £32.9 million). This was due to higher operating profits offset by a reduction in the benefit from trade creditors, following the slow down in our opening programme, and an increase in the bank interest outflow, due to timing differences relating to our new banking facilities. This resulted in free cash flow per share of 17.6p (2005: 17.4p) before investment in new pubs, proceeds from pub disposals and dividend payments. In the period under review, all our new pub capital expenditure was financed from free cash flow. In addition we purchased 7.8 million of our own shares for cancellation at a cost of £24.0 million.

DIVIDEND

The Board has declared an interim dividend of 1.60p per ordinary share (2005: 1.46p), a 10% increase on last year, payable on 26 May 2006 to shareholders on the register at 28 April 2006.

PROPERTY

The first half saw the opening of 5 new pubs with a full year target of approximately 13. We also completed the disposal of 6 pubs, which had previously been identified for sale, to end the half year with 654 pubs.

FINANCING

As at 22 January 2006, the Company's total net borrowings were £339.9 million (24 July 2005: £334.1 million). Total facilities at 22 January 2006 were £472 million, with a new 5 year loan facility finalised on competitive terms.

NON-SMOKING

We now operate 49 non-smoking pubs; 37 were existing pubs which reopened as non-smoking pubs between March and October 2005. 12 are new pubs which opened for the first time in the last year. Like-for-like sales in the converted pubs have continued the sales trend disclosed previously, declining by 7.6% in the quarter ended 22 January 2006. As stated previously, the increase in the percentage of food sales, combined with the decline in bar and fruit machine sales in non-smoking pubs, has resulted in a considerable drop in their operating margin. This amounted to a reduction of 4% in the last quarter.

We announced in March 2005 plans to convert approximately 10% of our pubs to non-smoking, followed by the rest of the estate in May 2006. Given the government's decision to bring forward a complete national smoking ban by 18 months to the middle of 2007, and the initial financial performance described above, we have decided to await the complete ban imposed by the government in 2007. In the meantime, new pub openings will continue to be non-smoking and we will complete the small number of conversions already in the pipeline. In addition, the ban on smoking in Scotland, due to take place on the 26th of this month, will result in a further 36 pubs becoming non-smoking.

..The Company has successfully adjusted to the major challenge of a new licensing system and longer opening hours.

It is clear from our experience and from the evidence of other areas, such as Ireland, California and New York, that the initial effect of a smoking ban can result in sales and margin declines. However, we believe that sales and margins can recover over time, once customers adjust to the non-smoking environment.

NEW LICENSING LEGISLATION

The Company has successfully adjusted to the major challenge of a new licensing system and longer opening hours. The new licensing legislation has resulted in longer opening hours for our pubs, which now open from 9am for food and coffee as well as alcoholic drinks, and close around midnight, or slightly later in some pubs at the weekends. There was considerable anxiety that this extension of hours would result in an increase in binge drinking. However, the majority of police forces and local authorities have reported an improvement in the underlying situation, as people drink more slowly with a flexible terminal hour, and pubs and clubs close at different times. Sales figures from our own and other licensed trade companies have not indicated, on average, an increase in consumption, in keeping with the pattern experienced by the licensing authorities.

CURRENT TRADING AND PROSPECTS

Like-for-like sales in February 2006 increased by 1.9%, in comparison with a decline of the same amount in February 2005. Profits and cash flows continue to be enhanced by the cost reductions outlined in our results announcement of 4 March 2005. The imminent Scottish smoking ban, combined with the potential impact of the football World Cup in June and July 2006, leads us, as previously indicated, to take a cautious view of the possible outcome for the second half of the current financial year.

The level of capital investment in existing pubs, excluding new pubs, has been about 2% of sales in recent years, below the historical average. We intend to increase this level of investment to approximately 4% as we increase expenditure on refurbishments, gardens, kitchen equipment and IT systems. Our aim is to ensure we are in the best position to deal with the challenges facing the pub industry over the next few years.

The main issue for the future relates to the smoking bans in Britain and Northern Ireland. However, in the light of our strong earnings and cash flow, combined with our continued concentration on making many small improvements to the business, I remain confident of the Company's longer-term future prospects.

Tim Martin
Chairman
3 March 2006

Income statement for the 26 weeks ended 22 January 2006

	Notes	**Unaudited 26 weeks ended 22 January 2006 £000**	Unaudited 26 weeks ended 23 January 2005 £000 Before exceptional items	Unaudited 26 weeks ended 23 January 2005 £000 After exceptional items	Unaudited 52 weeks ended 24 July 2005 £000 Before exceptional items	Unaudited 52 weeks ended 24 July 2005 £000 After exceptional items
Revenue		**406,326**	403,341	403,341	809,861	809,861
Operating costs	2	**(366,634)**	(368,695)	(368,695)	(738,355)	(738,355)
Operating profit before exceptional items		**39,692**	34,646	34,646	71,506	71,506
Exceptional items	3	**–**	–	(8,047)	–	(7,380)
Operating profit		**39,692**	34,646	26,599	71,506	64,126
Net interest payable		**(12,339)**	(12,021)	(12,021)	(24,329)	(24,329)
Profit on ordinary activities before taxation		**27,353**	22,625	14,578	47,177	39,797
Tax on profit on ordinary activities	4	**(9,281)**	(7,263)	(5,566)	(14,926)	(14,155)
Attributable to equity shareholders		**18,072**	15,362	9,012	32,251	25,642
Earnings per ordinary share	5	**10.6p**	**8.1p**	**4.8p**	**17.4p**	**13.8p**
Diluted earnings per ordinary share	5	**10.6p**	**8.1p**	**4.8p**	**17.4p**	**13.8p**

All activities relate to continuing operations.

Statement of recognised income and expense

	Notes	**Unaudited 26 weeks ended 22 January 2006 £000**	Unaudited 26 weeks ended 23 January 2005 £000	Unaudited 52 weeks ended 24 July 2005 £000
Cash flow hedges: losses taken to equity		**(1,068)**	–	–
Tax on items taken directly to equity		**320**	–	–
Net expense recognised directly in equity		**(748)**	–	–
Profit for the period		**18,072**	9,012	25,642
Total recognised income for the period	10	**17,324**	9,012	25,642

Cash flow statement for the 26 weeks ended 22 January 2006

	Notes	**Unaudited 26 weeks ended 22 January 2006 £000**	**Unaudited 26 weeks ended 22 January 2006 £000**	Unaudited 26 weeks ended 23 January 2005 £000	Unaudited 26 weeks ended 23 January 2005 £000	Unaudited 52 weeks ended 24 July 2005 £000	Unaudited 52 weeks ended 24 July 2005 £000
Cash flows from operating activities							
Cash generated from operations	6	**60,826**	**60,826**	62,002	62,002	123,460	123,460
Interest received		**125**	**125**	3,571	16	3,598	43
Interest paid		**(15,625)**	**(15,625)**	(12,590)	(12,590)	(24,108)	(24,108)
Refinancing costs paid		**(1,367)**		–		–	
Corporation tax paid		**(6,850)**	**(6,850)**	(6,363)	(6,363)	(12,632)	(12,632)
Purchase of own shares for Share Incentive Plan		**(1,765)**	**(1,765)**	(1,989)	(1,989)	(3,816)	(3,816)
Net cash inflow from operating activities		**35,344**	**36,711**	44,631	41,076	86,502	82,947
Cash flows from investing activities							
Purchase of tangible fixed assets for existing pubs		**(6,695)**	**(6,695)**	(8,180)	(8,180)	(14,173)	(14,173)
Proceeds of sale of tangible fixed assets		**2,448**		6,546		8,547	
Investment in new pubs and pub extensions		**(9,242)**		(18,616)		(24,495)	
Net cash outflow from investing activities		**(13,489)**	**(6,695)**	(20,250)	(8,180)	(30,121)	(14,173)
Cash flows from financing activities							
Equity dividends paid	7	**(4,749)**		(4,839)		(7,520)	
Issue of ordinary shares		**1,082**		86		271	
Purchase of own shares		**(24,042)**		(9,416)		(45,718)	
Advances/(repayments) under bank loans		**6,786**		(2,500)		(25,000)	
Advances under US senior notes		**–**		–		29,999	
Net cash outflow from financing activities		**(20,923)**		(16,669)		(47,968)	
Net increase in cash and cash equivalents	8	**932**		**7,712**		**8,413**	
Opening cash and cash equivalents		**18,073**		9,660		9,660	
Closing cash and cash equivalents		**19,005**		17,372		18,073	
Free cash flow	5		**30,016**		**32,896**		**68,774**
Free cash flow per ordinary share	5		**17.6p**		17.4p		37.1p

Balance sheet as at 22 January 2006

	Notes	Unaudited 22 January 2006 £000	Unaudited 23 January 2005 £000	Unaudited 24 July 2005 £000
Assets				
Non-current assets				
Intangible assets		**2,929**	4,008	3,042
Property, plant and equipment		**747,535**	764,811	756,761
Other non-current assets		**9,352**	5,060	5,397
		759,816	773,879	765,200
Current assets				
Inventories		**13,639**	12,684	12,777
Assets available for sale		**–**	4,554	1,691
Trade and other receivables		**16,158**	11,562	12,195
Cash and cash equivalents	9	**19,005**	17,372	18,073
		48,802	46,172	44,736
Liabilities				
Current Liabilities				
Trade and other payables		**(77,961)**	(81,531)	(80,578)
Borrowings	9	**–**	(25,000)	(25,000)
Current income tax liabilities		**(9,079)**	(6,742)	(7,556)
Accruals and other liabilities		**(32,145)**	(26,453)	(32,580)
		(119,185)	(139,726)	(145,714)
Non-current Liabilities				
Borrowings	9	**(359,004)**	(319,718)	(327,218)
Derivative financial instruments		**(11,464)**	–	–
Deferred tax liabilities		**(84,120)**	(82,210)	(83,211)
Provisions and other liabilities		**(6,718)**	(6,350)	(7,048)
		(461,306)	(408,278)	(417,477)
Net Assets		**228,127**	272,047	246,745
Shareholders Equity				
Ordinary shares		**3,312**	3,748	3,458
Share premium account		**129,679**	128,425	128,607
Capital redemption reserve		**1,030**	581	874
Retained earnings		**94,106**	139,293	113,806
Total shareholders' equity	10	**228,127**	272,047	246,745

Notes

1 Interim statement

The interim statement does not constitute full accounts as defined by S.240 of the Companies Act 1985. The figures for the year ended 24 July 2005 have been derived from the UK GAAP statutory accounts, which have been filed with the Registrar of Companies and on which the auditors gave an unqualified report.

Change in accounting policies

In accordance with the directive of the Council of the European Union, JD Wetherspoon plc ('the Company') has adopted International Financial Reporting Standards ('IFRS') with effect from 25 July 2005, having previously applied UK accounting standards. These interim statements are the first that the Company has prepared under IFRS and they have been prepared in accordance with the IFRS accounting policies that management expects to apply in the 2006 IFRS – compliant full year financial statements. These accounting policies are consistent with those adopted for the restatement of the 2005 financial information. Both the restatement and a summary of significant accounting policies are available on the Company's website, www.jdwetherspoon.co.uk/investors, and are also available on request from the Company Secretary on 01923 477777.

The results of prior periods have been restated under the new accounting policies so that proper comparison can be made with the results for the current period. For the year ended 24 July 2005 profit after tax and exceptional items has increased by £1,122,000 and net assets have reduced by £13,139,000. This represents an increase in profits of 2.4% and a reduction in net assets of 5.0%. The corresponding figures for the half year to 23 January 2005 are £281,000 and £16,716,000. Note 11 provides further detail.

As permitted, this interim report has been prepared in accordance with UK listing rules and not in accordance with IAS 34 'Interim Financial Reporting' and is therefore not fully compliant with IFRS.

The Company has taken the option to only apply IAS 32 'Financial Instruments: Disclosure & Presentation' and IAS 39 'Financial Instruments: Recognition & Measurement' prospectively, with effect from 25 July 2005. The comparative periods have therefore not been restated for IAS 32 or 39. The effect of IAS 39 is to reduce equity by £10,397,000 as at 25 July 2005 by recognising gains and losses on interest rate and currency swaps. IAS 39 has had no effect on amounts recognised in the income statement or balance sheet. Neither IAS 32 nor IAS 39 have had any effect on basic or diluted earnings per share. Note 10 provides further detail.

IFRS currently in issue are subject to ongoing review and endorsement by the European Commission as well as possible amendment by the IASB, and therefore are subject to possible change. Further standards or interpretations may also be issued that could be applicable for the full year financial statements. These potential changes could result in change to the basis of accounting or presentation of certain financial information from that presented in this document.

2 Operating costs

	Unaudited 26 weeks ended 22 January 2006 £000	Unaudited 26 weeks ended 23 January 2005 £000	Unaudited 52 weeks ended 24 July 2005 £000
Cost of sales	**(350,142)**	(351,382)	(705,942)
Administration costs			
Head office costs	**(15,681)**	(16,908)	(31,428)
Employee Share Incentive Plan charge	**(811)**	(405)	(985)
	(366,634)	(368,695)	(738,355)

3 Exceptional items

	Unaudited 26 weeks ended 22 January 2006 £000	Unaudited 26 weeks ended 23 January 2005 £000	Unaudited 52 weeks ended 24 July 2005 £000
Distribution start up costs	**–**	2,229	2,984
Restructuring costs	**–**	–	859
Impairment of fixed assets	**–**	–	1,068
Net loss on disposal and anticipated disposal of trading properties	**–**	5,818	2,306
Net loss on disposal and anticipated disposal of non trading properties	**–**	–	163
	–	8,047	7,380

4 Taxation

The taxation charge for the six months ended 22 January 2006 is calculated by applying an estimate of the effective tax rate for the year ending 30 July 2006. The UK standard rate of corporation tax is 30% (2005: 30%), and the latest estimate of the current tax payable on profits before exceptional items for the financial year ending 30 July 2006 is 31% (2005: 30%).

	Unaudited 26 weeks ended 22 January 2006 £000	Unaudited 26 weeks ended 23 January 2005 £000 Before exceptional items	Unaudited 26 weeks ended 23 January 2005 £000 After exceptional items	Unaudited 52 weeks ended 24 July 2005 £000 Before exceptional items	Unaudited 52 weeks ended 24 July 2005 £000 After exceptional items
Current tax	**8,373**	6,705	6,036	14,270	14,270
Deferred tax	**908**	558	(470)	656	(115)
Tax on profit on ordinary activities	**9,281**	7,263	5,566	14,926	14,155

5 Earnings and cash flow per share

The calculation of basic earnings per share is based on profits on ordinary activities after taxation of £18,072,000 (January 2005: £9,012,000; July 2005: £25,642,000) and on 170,220,787 (January 2005: 188,616,286; July 2005: 185,524,467) ordinary shares, being the weighted average number of ordinary shares in issue and ranking for dividend during the period.

Earnings per share before exceptional items is calculated as follows:

	Unaudited Earnings for 26 weeks ended 22 January 2006 £000	Unaudited Earnings for 26 weeks ended 23 January 2005 £000	Unaudited Earnings for 52 weeks ended 24 July 2005 £000	**Earnings per share for 26 weeks ended 22 January 2006 £000**	Earnings per share for 26 weeks ended 23 January 2005 £000	Earnings per share for 26 weeks ended 24 July 2005 £000
Earnings and basic earnings per share	**18,072**	9,012	25,642	**10.6**	4.8	13.8
Exceptional costs, net of tax	**–**	6,350	6,609	**–**	3.3	3.6
Earnings and earnings per share before exceptional items	**18,072**	15,362	32,251	**10.6**	8.1	17.4

Diluted earnings per share have been calculated using the weighted average number of shares in issue diluted for the effect of share options, where the option price has a diluting effect. The number of shares used for the fully diluted calculation is 170,537,340 (January 2005: 188,845,052; July 2005: 185,760,654).

The calculation of free 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 existing pubs, after funding interest, tax, all other reinvestment in pubs open at the start of the period and the purchase of own shares under the employee Share Incentive Plan ('free cash flow'). It is calculated before taking account of proceeds from property disposals and inflows and outflows of financing from outside sources, dividend payments and is based on the same number of shares in issue as that for the calculation of basic earnings per share.

6 Cash generated from operations

	Unaudited 26 weeks ended 22 January 2006 £000	Unaudited 26 weeks ended 23 January 2005 £000	Unaudited 52 weeks ended 24 July 2005 £000
Profit attributable to equity shareholders	**18,072**	9,012	25,642
Adjusted for:			
Tax	**9,281**	5,566	14,155
Depreciation of tangible fixed assets	**21,136**	22,072	47,256
Distribution start up costs	**–**	2,229	2,984
Restructuring costs	**–**	–	859
Impairment of fixed assets	**–**	–	1,068
Net loss on disposal and anticipated disposal of trading properties	**–**	5,818	2,306
Net loss on disposal and anticipated disposal of non-trading properties	**–**	–	163
Share Incentive Plan	**811**	405	985
Interest income	**(28)**	(210)	(232)
Interest expense	**12,367**	12,231	24,561
	61,639	57,123	119,747
Change in inventories	**(862)**	(675)	(768)
Change in receivables	**(1,536)**	391	(247)
Change in payables	**1,585**	7,461	8,571
Net cash inflow from operating activities pre exceptional	**60,826**	64,300	127,303
Outflow related to exceptional items	**–**	(2,298)	(3,843)
Net cash inflow from operating activities	**60,826**	62,002	123,460

7 Dividends paid

	Unaudited 26 weeks ended 22 January 2006 £000	Unaudited 26 weeks ended 23 January 2005 £000	Unaudited 52 weeks ended 24 July 2005 £000
Declared and paid in the period			
Final dividend for 2004/05 – 2.82p (2003/04 – 2.56p)	**4,749**	4,839	4,839
Interim dividend for 2004/05 – 1.46p (2003/04 – 1.33p)	**–**	–	2,681
	4,749	4,839	7,520

On 26 May 2006 the Company will pay an interim dividend of 1.60 pence per share, for the half year ended 22 January 2006 to shareholders on the register at the close of business on 28 April 2006.

8 Reconciliation of net cash flow to movement in net debt

	Unaudited 26 weeks ended 22 January 2006 £000	Unaudited 26 weeks ended 23 January 2005 £000	Unaudited 52 weeks ended 24 July 2005 £000
Increase in cash in the year	**932**	7,712	8,413
Cash outflow/(inflow) from movement in debt financing	**(6,786)**	2,500	(4,999)
Movement in net debt during the period	**(5,854)**	10,212	3,414
Opening net debt	**(334,145)**	(337,559)	(337,559)
Closing net debt	**(339,999)**	(327,347)	(334,145)

9 Analysis of net debt

	Unaudited at 24 July 2005 £000	Cash flow £000	Non-cash movement 2006 £000	**Unaudited at 22 January 2006 £000**
Cash at bank and in hand	18,073	932	–	**19,005**
Debt due within one year	(25,000)	–	25,000	**–**
Debt due after one year	(327,218)	(6,786)	(25,000)	**(359,004)**
Net debt	(334,145)	(5,854)	–	**(339,999)**

10 Movement in equity

	Called up share capital reserve £000	Share premium account £000	Capital redemption reserve £000	Retained earnings £000	**Unaudited at 22 January 2006 Total £000**
At 25 July 2005	3,458	128,607	874	113,806	**246,745**
Effect of adoption of IAS 32 and IAS 39	–	–	–	(10,397)	**(10,397)**
Tax on items taken directly to equity				3,119	**3,119**
At 25 July 2005 (restated)	3,458	128,607	874	106,528	**239,467**
Allotments	10	1,072	–	–	**1,082**
Re-purchase of shares	(156)	–	156	(24,042)	**(24,042)**
Share Incentive Plan	–	–	–	(955)	**(955)**
Profit for the period	–	–	–	18,072	**18,072**
Cash flow hedges: losses taken to equity	–	–	–	(1,068)	**(1,068)**
Tax on items taken directly to equity	–	–	–	320	**320**
Dividends	–	–	–	(4,749)	**(4,749)**
At end of period	3,312	129,679	1,030	94,106	**228,127**

11 Impact of IFRS on prior reporting period

	26 Weeks ended 23 January 2005		52 weeks ended 24 July 2005	
	Profit before tax and exceptional items £000	Net assets £000	Profit before tax and exceptional items £000	Net assets £000
As reported under UK GAAP	22,344	288,763	46,055	259,884
Depreciation adjustment re residual values	450	450	901	901
Lease incentives (deferred income)	(169)	(4,834)	221	(4,755)
Income tax and deferred tax	–	(15,013)	–	(14,156)
Dividend declared *	–	2,681	–	4,871
	281	(16,716)	1,122	(13,139)
As reported under IFRS	**22,625**	**272,047**	**47,177**	**246,745**

*Dividends amounting to £122,000 in respect of the purchase of the Company's own shares have been deducted in arriving at the aggregate of dividends paid and proposed as disclosed for the 26 weeks ended 22 January 2006 (see note 10).

Property, plant and equipment

Under IAS 16, residual values are based on prices current at the balance sheet date, whereas under previous UK GAAP residual values were based on prices at the date of acquisition or later revaluation.

Changes to residual values are accounted for prospectively but first-time adopters should adjust residual values of their assets at the date of transition to IFRS and then use the amended depreciation that this implies from the date of transition. This adjustment leads to a reduction in depreciation of £450,000 and £901,000 for the 26 weeks ended 23 January 2005 and for the year ended 24 July 2005 respectively.

Leases

Under UK GAAP, lease incentives on leases where the lessor retains substantially all the risks and benefits of ownership of the asset, are recognised as a reduction in rent paid over the period up to the first rent review.

Under IFRS, lease incentives on leases where the lessor retains substantially all the risks and benefits of ownership of the asset, are recognised as a reduction in rent paid over the lease term.

The effect of the change is an increase in deferred income of £4,834,000 and £4,755,000 at 23 January 2005 and 24 July 2005 respectively.

Income Taxes

The Company's IAS 12 amendments affect those deferred tax assets or liabilities which taken together comprise the net deferred tax liability at the balance sheet date.

The impact of adopting IFRS is an increase in the deferred tax liability of £15,013,000 and £14,156,000 at 23 January 2005 and 24 July 2005 respectively.

Adjustments made as a result of implementing IAS 12 are outlined below:

- The Standard requires a deferred tax provision for all capital gains that have been subject to rollover relief claims. Under UK GAAP, deferred tax was only provided on assets subject to such claims to the extent that the liability was expected to crystallise. This resulted in an increase in deferred tax liability of £10,994,000 and £10,994,000 as at 23 January 2005 and 24 July 2005 respectively.

- Further to the recognition of a deferred tax liability on capital gains, the Company has recognised a deferred tax asset on its capital losses on the basis that should a capital gain crystallise the capital losses will be available to offset against the gain. This resulted in a deferred tax asset of £915,000 and £1,560,000 as at 23 January 2005 and 24 July 2005 respectively.

- UK GAAP did not permit the creation of a deferred tax liability for revaluation gains, this is however required under IAS 19. Although the Company has not revalued its properties since the 1999/2000 financial year, the revalued carrying amounts at the date of transition to IFRS will form the deemed costs under IFRS. A transitional deferred tax liability is therefore required of £6,827,000 and £6,766,000 at 23 January 2005 and 24 July 2005 respectively.

- A deferred tax asset of £1,493,000 has been recognised at 25 July 2004 in respect of lease incentives relating to below market rent adjustments in existence at the date of transition to IFRS. This has increased to £2,044,000 at 24 July 2005 (23 January 2005: £1,893,000). The deferred tax asset is disclosed separately under non-current assets in the balance sheet.

- These balances have been adjusted from the amounts as announced on 20 January 2006 following a more detailed review.

Events after the Balance Sheet date

Under UK GAAP, company dividends declared after the balance sheet date have been recognised as a liability.

Under IFRS final dividends declared after the balance sheet date are not recognised until approved by the shareholders at the annual general meeting. Interim dividends are only recognised when paid.

The effect of the change is an increase in equity of £2,681,000 at 23 January 2005 and £4,871,000 at 24 July 2005.

Independent review report to J D Wetherspoon plc

Introduction
We have been instructed by the company to review the financial information for the twenty six weeks ended 22 January 2006 which comprises interim balance sheet as at 22 January 2006 and the related interim statements of income, cash flows and statement of recognised income and expense for the twenty six weeks then ended and related notes. We have read the other information contained in the interim report and considered whether it contains 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.

As disclosed in note 1, the next annual financial statements of the company will be prepared in accordance with accounting standards adopted for use in the European Union. This interim report has been prepared in accordance with the basis set out in Note 1.

The accounting policies are consistent with those that the directors intend to use in the next annual financial statements. As explained in note 1, there is, however, a possibility that the directors may determine that some changes are necessary when preparing the full annual financial statements for the first time in accordance with accounting standards adopted for use in the European Union. The IFRS standards and IFRIC interpretations that will be applicable and adopted for use in the European Union at 30 July 2006 are not known with certainty at the time of preparing this interim financial information.

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 disclosed accounting policies have been applied. 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 and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Listing Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 twenty six weeks ended 22 January 2006.

PricewaterhouseCoopers LLP
Chartered Accountants
London
3 March 2006

Notes:

(a) The maintenance and integrity of the J D Wetherspoon plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

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