
J.D. Wetherspoon Plc

Interim Announcement



7 March 2003



Highlights -Six Months to 26 January 2003

- Turnover up 23% to £350.6m
- Profits before tax up 3% to £25.6m
- Earnings per share up 1% to 7.8p
- Free cash flow per share 18.9p (+8%) - double EPS
- Dividend per share increased by 10% to 1.21p



Openings- First Half 2003 (21)

M25

Croydon
Fulham Broadway
Hammersmith
Shepherds Bush
Windsor

South

BasingstokeX2
East Grinstead

Midlands Area

Birmingham
Bridgnorth
Hereford
Moseley

North East

Consett

North West

Liverpool
Winsford

South West

Bridgewater
Plymouth

Scotland

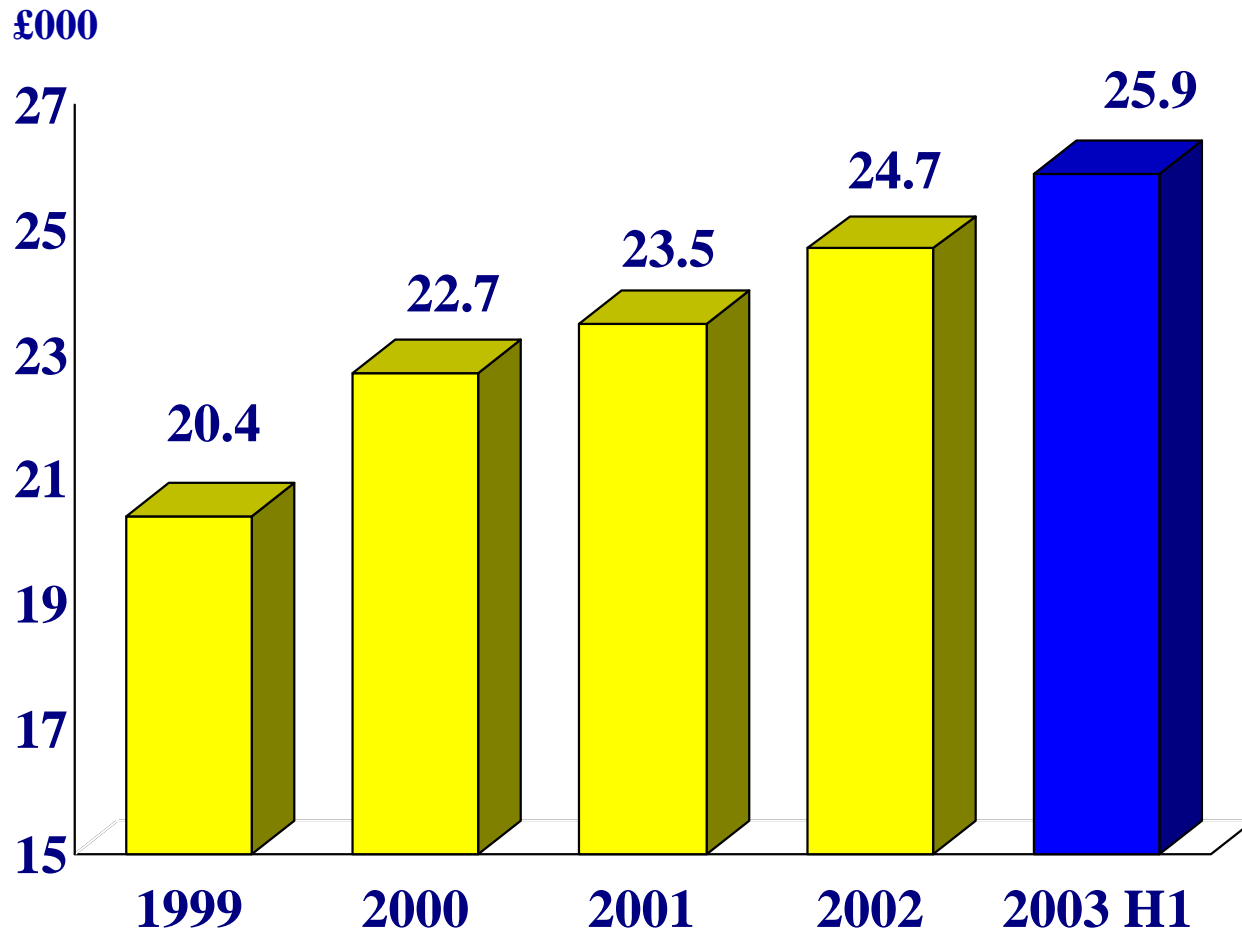
Airdrie
Kirkintilloch

Wales

Aberdare
Cardiff



Average Sales Per Pub Week (including VAT)



Like For Like Sales

%	H1 2003	Year 2002	Year 2001	Year 2000	Year 1999
Bar	2.2	3.5	6.2	13.8	11.6
Food	14.0	9.9	11.4	8.1	(2.1)
Total Sales	4.7	5.0	7.5	12.4	8.6
LFL Profits	(2.6)	3.8	7.0	13.0	10.1



Trading

- Wine - e.g. Coldwater Creek volumes
- Coffee - 250,000 hot drinks per week
- Children's meals - 1 million per annum
- Breakfasts - 2 million per annum
- Real Ale
- 10 am liquor licenses

People

- Bonus payments
- Lowest ever manager turnover
- BII - Supreme Training Award
(2 years running)



The Picturedrome, Liverpool



The Solomon Cutler, Birmingham



The King's Fee, Hereford



Operating Margins - Summary

	H1 2003		H1 2002		Year 2002	
	£000	% of Sales	£000	% of Sales	£000	% of Sales
Turnover	350,606	-	285,178	-	601,295	-
Pub Operating Profit	75,953	21.7	68,506	24.0	141,660	23.6
Sale & leaseback rentals	(3,861)	(1.1)	(3,860)	(1.3)	(7,721)	(1.3)
Head Office Costs	(15,771)	(4.5)	(13,711)	(4.8)	(27,511)	(4.6)
EBITDA	56,321	16.1	50,935	17.9	106,428	17.7
Depreciation	(21,308)	(6.1)	(17,504)	(6.2)	(36,343)	(6.0)
Operating Profit	35,013	10.0	33,431	11.7	70,085	11.7



Pub Operating Margins

	H1 2003	H1 2002	Year 2002
Gross margin (PPS duty £5m – 0.7% sales)	62.2%	62.3%	62.5%
Staff costs	24.5%	23.7%	23.9%
Other pub costs (e.g. insurance/repairs)	16.0%	14.6%	15.0%
Pub operating profit	21.7%	24.0%	23.6%

Pub Sales Performance

- 2000/01 Pubs Sales £24.6k (+8%)
- 2001/02 Pubs Sales £27.2k (+10%)
- 2002/03 Pubs Sales £27.6k

Lloyds No. 1

- Original 10 - sales per week circa £30k
- New Lloyds - sales per week circa £30k
- First half 2003 openings 5
- Total estate 44
- Future development plans

Cash Flow

	H1 2003 £000	H1 2002 £000	
Cash from operations	62,395	54,355	+15%
Interest and tax	(12,537)	(10,103)	
Investments in existing pubs	(9,220)	(7,121)	
Free cash flow available for new pub development	40,638	37,131	+9%
Dividends	(4,334)	(2,810)	
Investment in own shares	(153)	-	
Issue of ordinary shares	215	5,435	
Total investments in new pubs (including interest)	(48,540)	(70,032)	
Net cash outflow	(12,174)	(30,276)	
Free cash flow per share	18.9p	17.5p	+8%



Pub Investment Levels

	H1				
	2003	2002	2001	2000	1999
Capital re-investment	2.6	2.5	3.3	3.9	3.3
Repairs	2.8	2.5	1.8	1.3	1.4
Total (% of sales)	5.4	5.0	5.1	5.2	4.7
Total (£k per pub)	62*	55	53	52	42

*H1 annualised



Financial - Funding

	H1 2003	H1 2002	Year 2002
Gearing (%) – post FRS19	97	93	98
– pre FRS19	82	79	82
Interest cover (times)	3.7	3.9	4.2
Fixed charge cover (times) - statutory	1.9	2.0	2.1
- excluding depreciation	2.6	2.7	2.8

Underlying Economic Profits

	H1 2003 £'000	H1 2002 £'000		Year 2002 £'000
PBT	25,611	24,885		53,568
Add: Depreciation	21,308	17,504		36,343
Less: Capital invested in existing pubs	(9,220)	(7,121)		(18,726)
Economic profit	37,699	35,268	+7%	71,185
Economic profit after tax on cash basis	32,469	31,281	+4%	62,629
Cash tax rate	20%	16%		16 %
ROC (pre tax)	14.2%	15.4%		14.7%
ROC (after cash tax)	12.6%	14.1%		13.3%
ROE (after cash tax)	18.4%	20.2%		19.5%

Prospects

- February performance
- Margin outlook
- Property market
- Competitive landscape
- Continued expansion - circa 50 this year (but not a numbers game)
- Minimal cash outflow (after expansion capital)
- Cash/earnings outlook



Appendices

A - Financial Trends

B - 10 Year Summary

C - Capital trends



JDW - Financial Trends

Appendix A

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	H1 2003
Sales per pub (£000)	577	619	702	786	848	872	904	1,004	1,040	1,093	1,147
EBITDA per pub (£000) (1)	131.6	135.6	149.5	177.6	190.8	184.9	188.0	203.8	205.9	207.4	196.9
Average capital employed per pub (£000)	842	820	895	949	974	1028	990	972	1018	1049	1,070
Number of pubs	67	87	110	146	194	252	327	428	522	608	629
% freeholds (%)	40	37	33	35	31	30	21	32	40	42	42
Pre tax roc (%) (2)	13.4	12.2	13.3	16.1	16.3	13.1	15.0	14.3	14.9	14.7	14.2
Post tax roc (%) (2)	12.4	11.4	12.5	15.7	15.9	12.9	14.8	13.9	14.5	13.3	12.6
Post tax roe (%) (2)	18.1	11.1	14.0	20.0	22.0	17.8	20.4	18.6	20.1	19.5	18.4
Free cashflow per share (pence)	3.0	4.1	7.4	11.3	14.4	13.3	20.3	24.2	29.1	33.5	37.8

(3)

(1) Excluding sale & leaseback

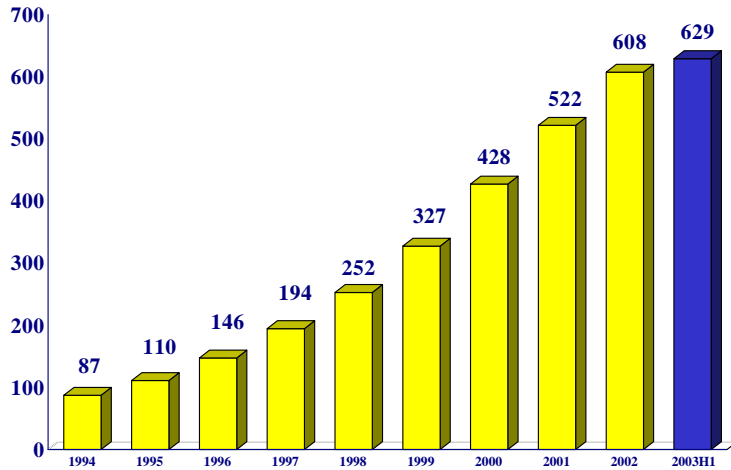
(2) Return after capital re-investment and sale & leaseback charges

(3) H1 annualised

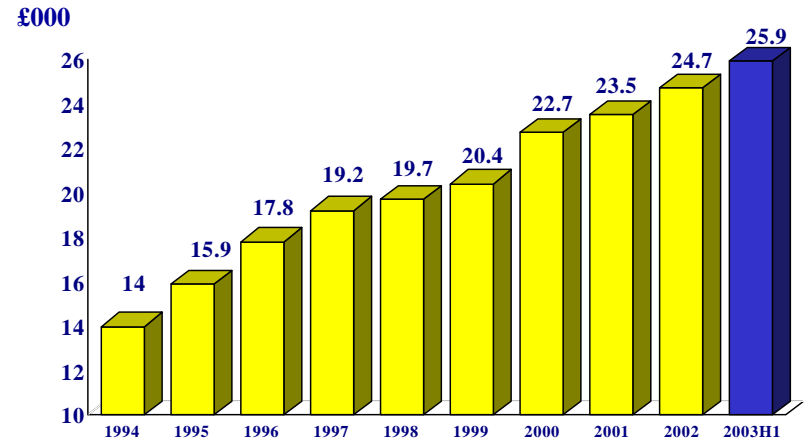


10 Year Summary

Number of Pubs

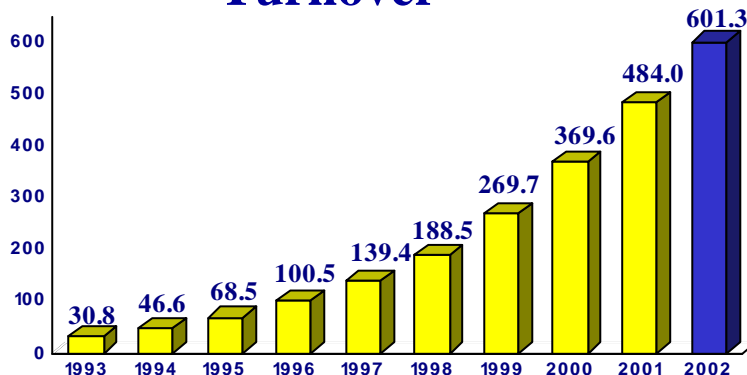


Average Sales Per Pub Week (including VAT)



£ millions

Turnover



£ millions

Profit Before Tax



Capital Trends

Appendix C

	1998	1999	2000	2001	2002	2003(H1)
Size (sq.ft.) – openings	3,401	3,037	3,217	3,713	3,808	3,862
Number of openings	68	84	101	94	87	21
% which are freehold	49	58	67	75	53	52
Freehold average cost (£k)	463	427	465	443*	500**	430
Average development cost (£k)	965	941	1,049	1,178	1,262	1,351
Average cost per sq. ft.	284	310	326	334	331	350
Increase in average cost (%)	12	9	4	3	-1	6
Population within 2 miles	72,000	70,000	77,000	70,000	70,000	88,000
Pub openings with beer gardens (%)	42	50	73	62	46	57

* £506k including existing pubs

** £597k including existing pubs

