
JD Wetherspoon plc

Interim Announcement



1 March 2002



Highlights -Six Months to 27 January 2002

| | | |
|----------------------------------------|---------|------|
| Turnover | £285.2m | +26% |
| Pre tax profits | £24.9m | +22% |
| EPS (9.8p excluding deferred taxation) | 7.7p | +20% |
| Cashflow per share | 17.5p | +19% |
| Dividend | 1.1p | +10% |

Openings- First Half 2002 (35)

M25

Heathrow Airport
London (Goodmans Field)

Midlands

Bedworth
Biddulph
Mansfield
Milton Keynes
Stratford upon Avon
Worksop

North East

Batley
Doncaster
Huddersfield
Sheffield
Whitley Bay

Northern Ireland

Enniskillen
Lisburn

North West

Altrincham
Fleetwood
Lancaster X 2
Liverpool
Workington
Wirral

Scotland

Glasgow
Inverness
Livingston
Motherwell

South East

Andover
Chelmsford
Gatwick Airport
Hastings
Norwich
Portsmouth

South West

Street

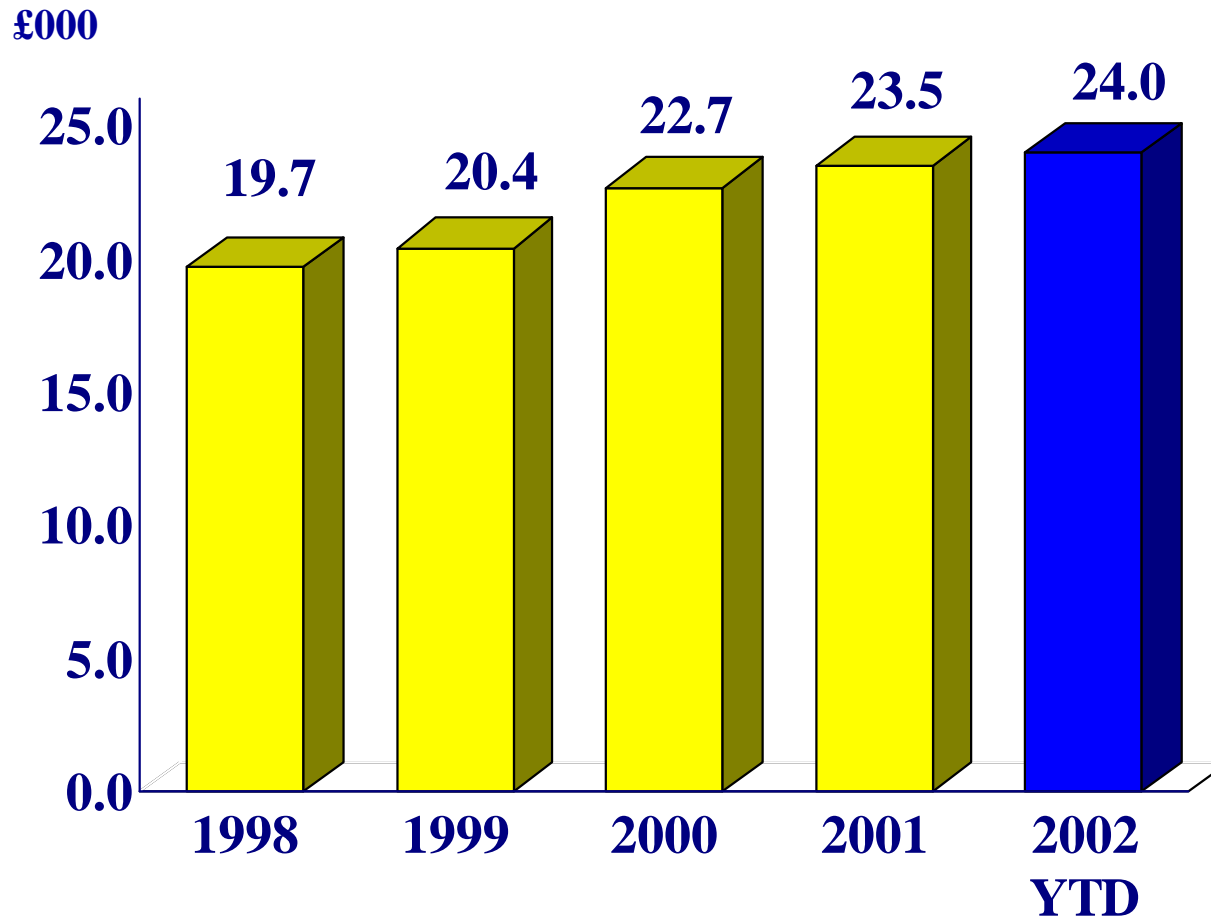
Wales

Llandudno
Wrexham



Five Year View

Average Sales Per Pub Week (including VAT)



Like For Like Sales Record

| % | 1st Half 2002 | Full Year 2001 | Full Year 2000 | Full Year 1999 |
|--------------|-------------------------------------|---------------------------|---------------------------|---------------------------|
| Bar | 3.9 | 6.2 | 13.8 | 11.6 |
| Food | 10.2 | 11.4 | 8.1 | (2.1) |
| Total | 5.5 | 7.5 | 12.4 | 8.6 |

Trading - Bar

FOUR PLAY

£1.79
per bottle



£2.09
per bottle



AVAILABLE ALL DAY EVERY DAY
Subject to availability. Participating freehouses. Visit our Web site: www.jdwetherspoon.co.uk

ALE OF THE CENTURY

SPITFIRE
PREMIUM
KENTISH ALE
BRITAIN'S OLDEST BREWER

£1.35
per pint



£1.55
per pint

TRY B4U BUY
FIND THE ONE FOR YOU! • FIND THE ONE YOU LOVE!

Guest Ales
£1.55 per pint

CASK MARQUE
FOR PUBS WHICH SERVE THE PERFECT PINE
OPENED ACCREDITED J D WETHERSPOON FREEHOUSES

Subject to availability. Participating freehouses. Visit our Web site: www.jdwetherspoon.co.uk

Food Development

- 10% LFL food sales growth
- Gross Margin +2%

JD's Curry Club
Available every Thursday 6-10pm.

Side Orders

| | | |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
|  |  |  |
| Poppadum Frenzy £1.50 | Onion Bhajis £1.00 | Vegetable Samosas £1.00 |



🔥 = mild
🔥🔥🔥 = extremely hot
🌱 = suitable for vegetarians

Subject to availability. Participating restaurants. Photography is for guidance only. VAT not included. www.jds.co.uk

steak out
Available every day after 2pm.

| | |
|---------------|-------|
| Gammon steak | £4.49 |
| Mixed grill | £5.59 |
| Rump steak | £5.99 |
| Surf 'n' turf | £6.99 |

| | | |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|  |  |  |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|

Subject to availability. Participating restaurants. Photography is for guidance only. VAT not included. www.jds.co.uk

Lloyds No. 1

- Original 10 - sales per week £25.3k (+65%)
- Original 10 - return on investment 19.2%
- 2000/01 openings 4
- First half 2002 openings 6
- Total estate 20
- Future development

The Palladium, Llandudno

6,000 square feet



Average sales per week £37,000

The King's Highway, Inverness



4,600 square feet

Average sales per week £38,000

The Henry Bessemer, Workington

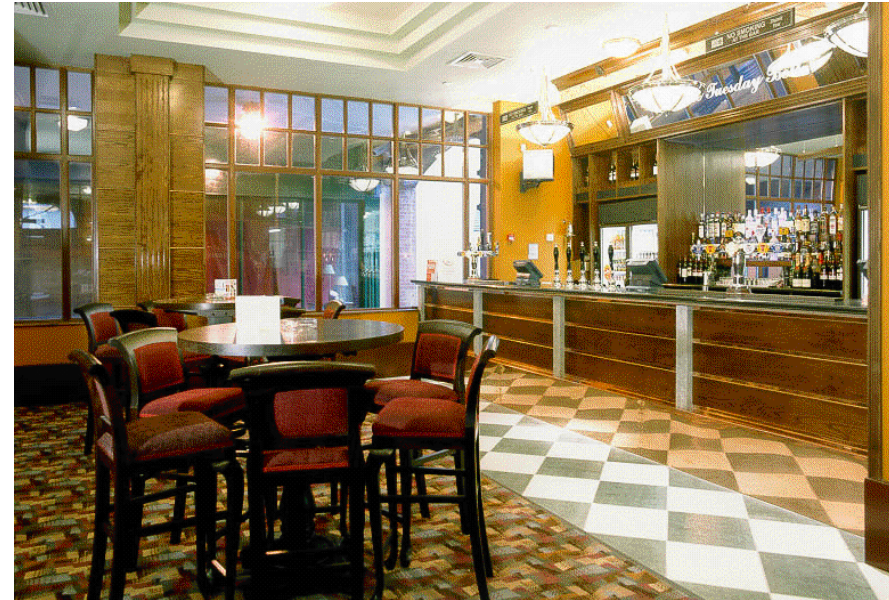
3,500 square feet



Average sales per week £20,000

The Tuesday Bell, Lisburn, Northern Ireland

3,700 square feet



Average sales per week £39,000

Lloyds No. 1, Chelmsford



Average sales per week £32,000

3,600 square feet

Staff Pay Rates

Hourly pay comparison versus competition*

Bar (including bonus)

- inside London +25%
- outside London +24%

Kitchen (including bonus)

- inside London +35%
- outside London +32%

*Retail salary club survey July 2001

Staff and Standards

- People
 - 48 hour week
 - pub bonus schemes (£10m cost in 2000/01)
 - training (regional centres / awards)
- Standards
 - mystery visitors (£1m cost)
 - Egon Ronay food inspections and environmental health inspections (£1.2m cost)
 - toilets (hourly checks / awards)
 - investment in maintenance and repairs

Operating Margins - Summary

| | 2002 | | 2001 | | 2001 | |
|--------------------------|--------------------|---------------|--------------------|---------------|-------------------|---------------|
| | First Half £000 | % of Sales | First Half £000 | % of Sales | Full Year £000 | % of Sales |
| Turnover | 285,178 | - | 226,694 | - | 483,968 | - |
| Pub Operating Profit | 68,506 | 24.0 | 55,920 | 24.7 | 119,559 | 24.7 |
| Sale & leaseback rentals | (3,860) | (1.3) | (3,858) | (1.7) | (7,717) | (1.6) |
| Head Office Costs | (13,711) | (4.8) | (11,089) | (4.9) | (23,788) | (4.9) |
| EBITDA | 50,935 | 17.9 | 40,973 | 18.1 | 88,054 | 18.2 |
| Depreciation | (17,504) | (6.2) | (13,883) | (6.1) | (29,674) | (6.1) |
| Operating Profit | 33,431 | 11.7 | 27,090 | 12.0 | 58,380 | 12.1 |

Pub Operating Margins

| | First Half 2002 | First Half 2001 |
|------------------------------------------|--------------------------------|--------------------------------|
| Gross margin | 62.3% | 62.4% |
| Staff costs | 23.7% | 23.0% |
| Other pub costs (rent, rates, utilities) | 14.6% | 14.7% |
| Pub operating profit | 24.0% | 24.7% |

LFL Trends - Pubs Opened In Each Year

| | Total | 1999/00 | 1998/99 | 1997/98 | 1996/97 and prior |
|---------------------------------|--------------|----------------|----------------|----------------|------------------------------|
| Like for like sales growth (%) | 5.5 | 12.8 | 5.2 | 4.4 | 2.2 |
| Like for like profit growth (%) | 4.0 | 20.2 | 9.3 | 2.6 | -2.8 |
| Number of pubs | 375 | 97 | 77 | 66 | 135 |

1996/97 and prior

- 50% within London
- Investment in wages
- Improving sales trends

New Pub Performance

- 2000/01 Pubs
 - Sales £21.8k (first year's sales £20.8k)
 - Pub returns
 - freehold 13%
 - leasehold 22%
- 2001/02 Pubs
 - Sales £24.7k

Weekly sales include VAT

Cash Flow

| | First Half 2002 £000 | First Half 2001 £000 | |
|----------------------------------------------------------------------|-------------------------------------|----------------------------|-------------|
| Cash from operations | 54,355 | 47,069 | |
| Interest and tax | (10,103) | (6,759) | |
| Investments in existing pubs | (7,121) | (9,335) | |
| Free cash flow available for new pub development | 37,131 | 30,975 | +20% |
| Dividends | (2,810) | (2,990) | |
| Investment in own shares | - | (241) | |
| Issue of ordinary shares | 5,435 | 1,148 | |
| Total investments in new pubs and extensions (including interest) | (70,032) | (64,911) | |
| Net cash outflow | (30,276) | (36,019) | |
| Free cash flow per share | 17.5p | 14.7p | +19% |

Capital Re-Investment

| | 2001/02 (First half) | 2000/01 | 1999/00 | 1998/99 | 1997/98 | 1996/97 | 1995/96 |
|--|-------------------------|---------|---------|---------|---------|---------|---------|
|--|-------------------------|---------|---------|---------|---------|---------|---------|

| | | | | | | | |
|-----------------------|-----|-----|-----|-----|-----|-----|-----|
| % of Sales | 2.5 | 3.3 | 3.9 | 3.3 | 5.0 | 3.0 | 3.1 |
|-----------------------|-----|-----|-----|-----|-----|-----|-----|

Examples of expenditure this year are:

- IT £1.7m
- Kitchen PC screens £0.8m
- Clam griddles £1.0m

Financial - Funding

| | First Half 2002 | First Half 2001 | Full Year 2001 |
|----------------------------------------|--------------------------------|--------------------------------|-------------------------------|
| Gearing (%) – post FRS19 | 93 | 79 | 88 |
| – pre FRS19 | 79 | 68 | 75 |
| Interest cover (times) | 3.9 | 4.1 | 4.2 |
| Fixed charge cover (times) - statutory | 2.0 | 1.9 | 2.0 |
| - excluding depreciation | 2.7 | 2.6 | 2.7 |

Underlying Economic Profits

| | First Half 2002 £'000 | First Half 2001 £'000 |
|-----------------------------------------|--------------------------------------|--------------------------------------|
| PBT | 24,885 | 20,468 |
| Add: Depreciation | 17,504 | 13,883 |
| Less: Capital invested in existing pubs | (7,121) | (9,335) |
| Economic profit | +41% 35,268 | 25,016 |
| % Sales | 12.4% | 11.0% |
| Economic profit after tax* | +31% 31,281 | 23,788 |

*Based on actual tax excluding deferred taxation.

Return on Capital and Equity

| | Jan 2002 | Jan 2001 |
|----------------------|-----------------|----------|
| Shareholders funds* | 345,931 | 301,504 |
| Net debt | 271,853 | 205,502 |
| Revaluation reserve | (23,734) | (24,158) |
| | 594,050 | 482,848 |
| Average for 6 months | 566,723 | 455,178 |
| ROC (after cash tax) | 14.1% | 13.4% |
| ROE (after cash tax) | 20.2% | 17.8% |

*Excluding provision for deferred taxation.

Pipeline

| | Jan 2002 | July 2001 |
|----------------------------|-------------|--------------|
| On site | 39 | 25 |
| With planning/licensing | 45 | 61 |
| Terms agreed | 50 | 65 |
| In negotiation | 227 | 170 |
| | 361 | 321 |
| Opened since half year end | 6 | |

Prospects

- February trading
- Continued food development
- Lloyds expansion
- Competitive environment
- Continued earnings growth

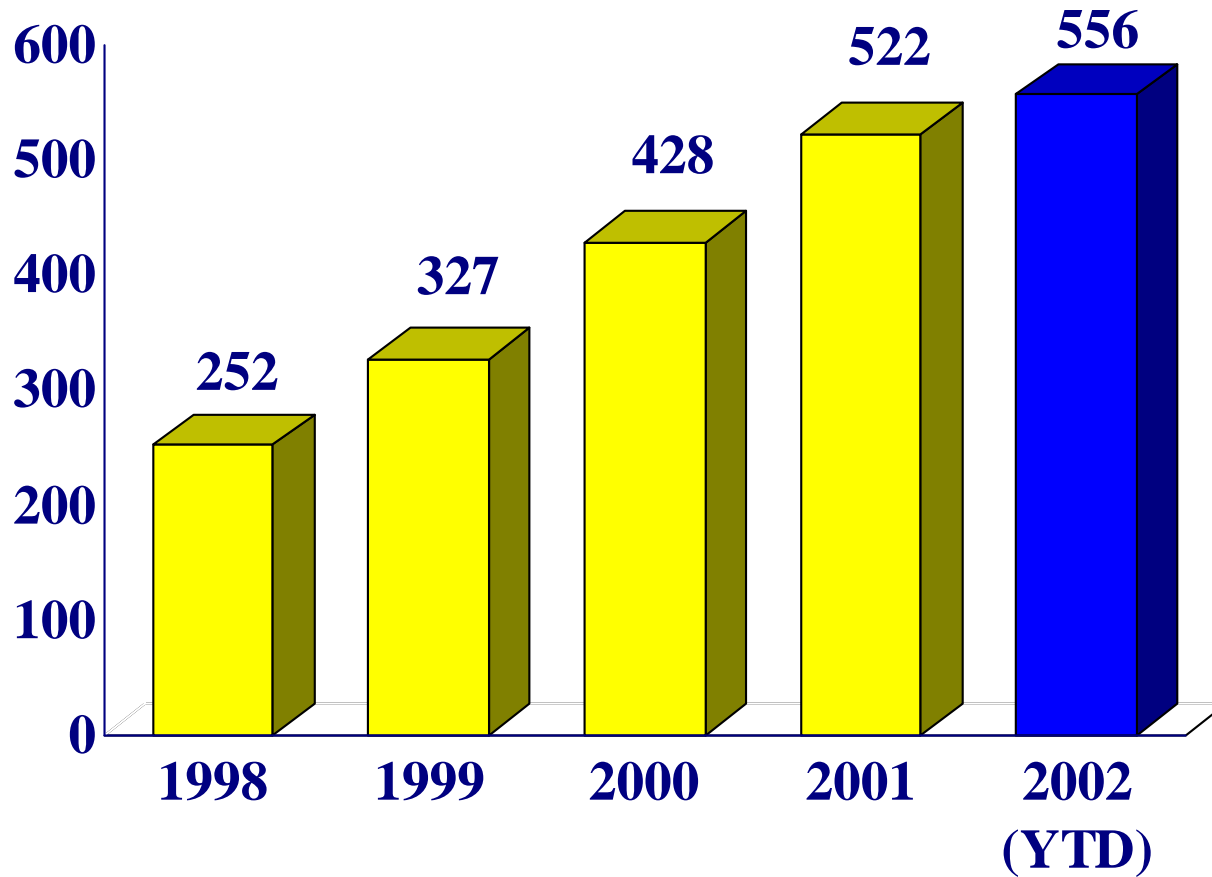
Appendices

A - 5 year view - number of pubs

B - 10 year trends

C - capital trends

Five Year View - Number of Pubs



JDW - The Last 10 Years

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | First half 2002 |
|----------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------------------------------|
| Sales per pub (£000) | 577 | 619 | 702 | 786 | 848 | 872 | 904 | 1,004 | 1,040 | 1,062 |
| Wage costs (%) | 18.8 | 18.0 | 18.3 | 19.6 | 20.4 | 20.1 | 20.1 | 22.1 | 23.0 | 23.7 |
| EBITDA margin (%) (1) | 22.8 | 21.9 | 21.3 | 22.6 | 22.5 | 21.2 | 20.8 | 20.3 | 19.8 | 19.2 |
| EBITDA per pub (£000) (2) | 131.6 | 135.6 | 149.5 | 177.6 | 190.8 | 184.9 | 188.0 | 203.8 | 205.9 | 203.9 |
| Average capital employed per pub | 842 | 820 | 895 | 949 | 974 | 1028 | 990 | 972 | 1018 | 1051 |
| Cash return on cash capital employed (%) (2) | 14.3 | 15.1 | 15.1 | 17.1 | 17.5 | 15.3 | 15.9 | 15.6 | 15.3 | 14.1 15.0% (3) |
| Cash tax rate % | 11 | 9 | 8 | 4 | 4 | 4 | 3 | 5 | 5 | 16 |
| Sales Growth (%) | 44 | 51 | 47 | 47 | 39 | 35 | 43 | 37 | 31 | 26 |
| PBT Growth (%) | 466 | 55 | 49 | 35 | 34 | 15 | 30 | 38 | 23 | 22 |
| Free cashflow per share (pence) | 3.0 | 4.1 | 7.4 | 11.3 | 14.4 | 13.3 | 20.3 | 24.2 | 29.1 | 35 (4) |

(1) Excluding sale and leaseback

(2) Return post tax and sale and leaseback charges

(3) Based on same cash tax rate as last year

(4) First 6 months annualised

Capital Trends

Appendix C

| | 1996/97 | 1997/98 | 1998/99 | 1999/00 | 2000/01 | First Half 2001/02 |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------------|
| Size (sq.ft.) – openings | 3,800 | 3,401 | 3,037 | 3,217 | 3,526 | 3,588 |
| Number of openings | 48 | 68 | 84 | 101 | 94 | 35 |
| % which are freehold | 23 | 49 | 58 | 67 | 75 | 57 |
| Freehold average cost (£k) | 665 | 463 | 427 | 465 | 506 | 521 |
| Average development cost (£k) | 965 | 965 | 941 | 1,049 | 1,173 | 1,198 |
| Average cost per sq. ft. | 254 | 284 | 310 | 326 | 333 | 334 |
| Increase in average cost (%) | 3 | 12 | 9% | 4 | 2 | - |
| Population within 2 miles | 76,000 | 72,000 | 70,000 | 77,000 | 70,000 | 55,000 |
| Pub openings with beer gardens (%) | 33 | 42 | 50 | 73 | 62 | 51 |