10 September 2010 **PRESS RELEASE**

J D WETHERSPOON PLC
PRELIMINARY RESULTS
(For the 52 weeks ended 25 July 2010)

ANOTHER RECORD YEAR

Financial highlights

• Revenue £996.3m (2009: £955.1m)	+4.3%
• Like-for-like sales	+0.1%
Before exceptional items:	
• Operating profit £100.0m (2009: £97.0m)	+3.1%
• Profit before tax £71.0m (2009: £66.2m)	+7.3%
• EPS 34.9p (2009: 32.6p)	+7.1%
After exceptional items:	
• Operating profit £89.5m (2009: £75.1m)	+19.2%
• Profit before tax £60.5m (2009: £45.0m)	+34.4%
• EPS 29.3p (2009: 18.2p)	+61.0%
• Free cash flow per share 51.3p (2009: 71.7p)	-28.5%

Tim Martin, chairman of J D Wetherspoon plc, said:

I am pleased to report another record year for the company in sales and profit before tax and exceptional items, with total sales, including new pubs, increasing by £41.2 million to £996.3 million, a rise of 4.3% (2009: 5.2%) and profit before tax and exceptional items increasing by 7.3% to £71.0 million (2009: £66.2 million).

We continue to seek to make lots of small improvements in diverse areas of the business, creating momentum in the services and facilities offered to customers, as well as sales and profits for the company. We have developed our breakfast offer by opening from 7am, the only substantial pub company to do so. We are now selling over 400,000 breakfasts and 600,000 coffees each week - an increase of 40%.

In the six weeks to 5 September 2010, like-for-like sales increased by 1.5% and total sales by 7.6%. Our sales, profit and cashflow continue to be resilient and the performance of our recently opened pubs is encouraging. The Board remains confident of a resilient performance by the company in the current financial year.

The biggest danger to the pub and catering industry is a continued increase in taxes and regulations. It is to be hoped that the UK government's attitude towards pubs, in particular, changes and that a co-operative and helpful, rather than a punitive, approach is adopted.

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Photographs are available at: www.newscast.co.uk

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 Web site: www.jdwetherspoon.co.uk
3. This announcement has been prepared solely to provide additional information to the shareholders of J D Wetherspoon, in order to meet the requirements of the UK Listing Authority's Disclosure and Transparency Rules. It should not be relied on by any other party, for 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 inherent uncertainties in economic trends and business risks.
4. The next interim management statement will be issued on 4 November 2010.

2010 CHAIRMAN'S STATEMENT AND OPERATING REVIEW

'Another record year'

I am pleased to report another record year for the company in sales and profit before tax and exceptional items. The company was founded in 1979 – and this is the 27th year since incorporation in 1983. The table below outlines some key indicators of our performance during that period. As this demonstrates, earnings per share have grown by an average of 17.7% per annum, since our flotation in 1992, and free cash flow per share by an average of 19.3%.

Summary financials for the years ended 31 July 1984–2010

Financial year	Total sales £000	Profit before tax and exceptional items £000	Earnings per share (EPS) before exceptional items pence	Free cash flow £000	Free cash flow per share pence
1984	818	(7)	0.0		
1985	1,890	185	0.2		
1986	2,197	219	0.2		
1987	3,357	382	0.3		
1988	3,709	248	0.3		
1989	5,584	789	0.6	915	0.4
1990	7,047	603	0.4	732	0.4
1991	13,192	1,098	0.8	1,236	0.6
1992	21,380	2,020	1.9	3,563	2.1
1993	30,800	4,171	3.3	5,079	3.9
1994	46,600	6,477	3.6	8,284	5.1
1995	68,536	9,713	4.9	13,506	7.4
1996	100,480	15,200	7.8	20,972	11.2
1997	139,444	17,566	8.7	28,027	14.4
1998	188,515	20,165	9.9	28,448	14.5
1999	269,699	26,214	12.9	40,088	20.3
2000	369,628	36,052	11.8	49,296	24.2
2001	483,968	44,317	14.2	61,197	29.1
2002	601,295	53,568	16.6	71,370	33.5
2003	730,913	56,139	17.0	83,097	38.8
2004	787,126	54,074	17.7	73,477	36.7
2005	809,861	47,177	16.9	68,774	37.1
2006	847,516	58,388	24.1	69,712	42.1
2007	888,473	62,024	28.1	52,379	35.6
2008	907,500	58,228	27.6	71,411	50.6
2009	955,119	66,155	32.6	99,494	71.7
2010	996,327	71,015	34.9	71,344	51.3

Notes

Adjustments to statutory numbers

1. Where appropriate, the EPS as disclosed in the statutory accounts, have been recalculated to take account of share splits, the issue of new shares and capitalisation issues.
2. Free cash flow per share excludes dividends paid which were included in the free cash flow calculations in the reported accounts for the years 1995–2000.
3. The above table has not been audited.

4. Prior to 2005, the accounts were prepared under UKGAAP. All accounts from 2005 to date have been prepared under IFRS.

Like-for-like sales in the year under review increased marginally by 0.1%, with total sales, including new pubs, increasing by £41.2 million to £996.3 million, a rise of 4.3% (2009: 5.2%). Like-for-like bar sales decreased by 0.8% (2009: increased by 2.5%), like-for-like food sales increased by 0.1% (2009: decreased by 0.4%) and like-for-like machine sales increased by 12.1% (2009: decreased by 7.5%).

Operating profit before exceptional items increased by 3.1% to £100.0 million (2009: £97.0 million) and, after exceptional items, increased by 19.2% to £89.5 million (2009: £75.1 million). The operating margin, before exceptional items, interest and tax, decreased to 10.0% (2009: 10.2%), with increases in labour and repair costs being partially offset by reduced energy costs and lower depreciation. The operating margin after exceptional items increased to 9.0% (2009: 7.9%).

Profit before tax and exceptional items increased by 7.3% to £71.0 million (2009: £66.2 million) and, after exceptional items, increased by 34.4% to £60.5 million (2009: £45.0 million). Earnings per share before exceptional items increased by 7.1% to 34.9p (2009: 32.6p) and after exceptional items increased by 61.0% to 29.3p (2009: 18.2p).

Net interest was covered 3.4 times by operating profit before exceptional items (2009: 3.1 times) and 3.1 times by operating profit after exceptional items (2009: 2.4 times). Total capital investment was £81.8 million in the period (2009: £48.8 million), with £57.7 million on new pub openings (2009: £37.8 million), reflecting the increased number of openings and £24.1 million on established pubs (2009: £11.0 million) which largely reflects investment in our new till system and increased expenditure on refurbishment.

Exceptional items before tax totalled £10.6 million (2009: £21.1 million). These related to the impairment of trading pub assets of £10.6 million (2009: £6.5 million). The balance of last year's exceptional items related to: the disposal of properties which we no longer intend to develop (2009: £4.4 million); a one-off depreciation adjustment following a review of our fixed-asset register (2009: £9.4 million); and major litigation costs involving legal action against our former estate agents, Van de Berg (2009: £1.6 million).

Free cash flow, after capital investment of £24.1 million on established pubs (2009: £11.0 million), £6.1 million in respect of share purchases for employees under the company's share-based payment schemes (2009: £6.0 million) and payments of tax and interest, decreased by £28.2 million to £71.3 million (2009: £99.5 million). Free cash flow per share was 51.3p (2009: 71.7p).

Property

The company opened 47 pubs during the year, 15 of which were freehold, and closed three others, resulting in a total estate of 775 pubs at the financial year end. As was the case last year, most new openings were of existing pubs, with rents and development costs being lower than historic trends. The average development cost for a new pub (excluding the cost of freeholds), in the financial year under review, was £0.86 million, compared with £0.85 million a year ago. The full-year depreciation charge was £43.7 million (2009: £45.1 million).

In the financial year ending July 2011, we intend to open at least the same number of pubs as in the year under review.

Taxation

The overall tax charge on pre-exceptional items before taking into account the effect of the tax rate change is 31.6% (2009: 31.7%). The standard UK tax rate is 28% (2009: 28%) and the difference between that rate and the company tax is 3.6% (2009: 3.7%), primarily due to the level of non-qualifying depreciation (depreciation that does not qualify for tax relief); this is partially offset by the deduction available for share-based payments for employees.

The current tax rate has fallen to 30.6% (2009: 32.4%). This is largely due to the availability of first year allowances for qualifying capital expenditure incurred in the first eight months of the financial year to 31 March 2010.

Financing

As at 25 July 2010, the company's total net bank borrowings (excluding finance leases and derivatives) were £379.5 million (2009: £388.2 million), a reduction of £8.7 million. Net debt including finance leases (but excluding derivatives) was £388.4 million (2009: £390.0 million), a reduction of £1.6 million. Net debt excluding derivatives has declined, notwithstanding 47 new pub openings costing £57.7 million and the dividend payments of £26.2 million. Year end net-debt-to-EBITDA has fallen to 2.70 times (2009: 2.73 times).

The company had £170.5 million (2009: £154.0 million) of unutilised banking facilities and cash balances at 25 July 2010, with total facilities of £550.0 million (2009: £542.2 million). During the year the Company repaid its US$140m (£87.2 million) private placement from cash flow and remaining facilities and successfully concluded a new non-amortising £530-million four-year facility, expiring in March 2014, with a syndicate of 11 banks, comprising a mix of current and new lenders. The company's existing swap arrangements remain in place.

Dividends

As previously outlined in the interim accounts, the board declared and paid a total dividend of 12.0p for the financial year ending 25 July 2010 (2009: nil). The board also declared a special dividend of 7.0p and both dividends were paid on 1 April 2010.

Further progress

As indicated in previous years, our approach remains one of trying to make lots of small improvements in diverse areas of the business, creating momentum in the services and facilities offered to customers, as well as sales and profits for the company.

We have developed our breakfast offer by opening from 7am, the only substantial pub company to do so. We are now selling over 400,000 breakfasts and 600,000 coffees each week - an increase of 40%. We continue to be the world's number-one seller of 'Tierra' – Lavazza's Rainforest-Alliance-certified sustainable coffee and we recently became the only pub company to be made honorary lifetime members by the Rainforest Alliance. This award recognises pioneering companies that have exhibited outstanding leadership in efforts to promote sustainability.

We continue to advance in the area of traditional ales and have seen sales growth of 6% in the year. We stock over 600 guest beers throughout the year, from a wide selection of microbrewers. Over 98% of our estate is Cask Marque accredited and we currently have a record number of pubs recommended in the CAMRA Good Beer Guide 2010, more than any other substantial pub company. We also ran the biggest real-ale festival in the world during April 2010, selling 2.9 million pints over 19 days.

The company was named Pub Company of the Year at the 2010 Publican Awards and won 2010 'Best Town and Local Pub Menu' at the Menu Innovation and Development Awards (MIDAS) sponsored by the Inside Foodservice organisation. The company was also named Responsible Drinks Retailer of the Year in 2009 – the first pub company to win the award twice since its inception in 2006.

A total of 144 Wetherspoon pubs were entered in the 2009 Loo of the Year awards with 104 pubs receiving the maximum five stars and the remaining 40 receiving four stars. The company won the Pubs and Wine Bars individual titles in England, Scotland, Wales and Northern Ireland and also won the UK trophy in the Corporate Provider category. The company is looking to refurbish over 80 sets of pub toilets in the coming year as it recognises their importance to customers.

The company is the largest single corporate fund-raiser for the CLIC Sargent charity (Caring for Children with Cancer), a partnership now in its eighth consecutive year, raising £3.5 million to date, with a pledge to raise a further £600,000 each year. During the past financial year, company employees and customers raised a record £890,660.

As previously stated, this combination of bar, food and coffee sales and strong focus on service and standards helps to ensure that pubs are busy throughout much of the week, maximising profits and employment opportunities, as well as generating volume growth for many of our suppliers.

Personnel and training

As we have stated before, the most important factors in successful pubs are the quality and motivation of those we employ. The company accordingly continues to believe that incentives for managers and staff, combined with excellent training schemes, are vital for future success.

In relation to training, the company held over 1,000 separate training courses in 2009/10, attended by 15,000 delegates, and promoted over 1,500 bar and kitchen staff to shift manager or management positions.

The company has also been recognised as an 'Age Positive' employer, by the Department for Work and Pensions, and recognised by the Corporate Research Foundation, in association with the Guardian newspaper, as one of 'Britain's Top Employers', for seven consecutive years, including 2010.

In August 2009, the company was awarded a funding contract with the Learning and Skills Council (now the Skills Funding Agency) to offer a Level 2 Apprenticeship and Skills for Life qualification (numeracy and literacy). By August 2010 the company had 168 Apprentices and 220 employees had signed up for the numeracy and literacy training. As part of this process, the company has signed the Skills Pledge – a voluntary public commitment, made by the company, to develop the skills of employees and support their working towards nationally recognised qualifications.

Staff retention is again at our highest-ever level, with pub managers averaging over eight years' service, giving us, we believe, an advantage in our business.

The company created over 2,400 jobs in the year and expects to be one of the biggest and fastest growing employers in the country over the next five years.

We continue to provide monthly bonuses for all of our pub staff, whatever their length of service. In this connection, the company awarded bonuses and free shares (SIPs) for employees of £22.5 million in the year, an increase of 10% (2009: £20.5 million). More than 95% of the payments were made to employees below board level, with approximately 88% of payments made to employees working in our pubs.

Cash bonuses paid to pub managers and staff are based partly on service standards (verified by mystery visits) and partly on individual pub profits. Head-office cash bonuses are based on profits before tax.

In addition, all employees at pubs and head office, including executive directors, are eligible for free shares, subject to a qualifying period. The free shares have replaced the share option scheme in recent years; since they are purchased by the company, these avoid dilution of current shareholders.

I would like to thank our employees, partners and suppliers, once again, for their excellent work in the past year.

Taxation and legislation

In the last financial year the Company was responsible for approximately £400 million of tax payments of one type or another, including VAT, excise duty on alcoholic drinks, employment and property taxes. The previous government adopted an approach of increasing taxes and regulations for pubs, greatly increasing the costs of running these businesses. Since the provision of a pint in a pub is far more labour intensive than a pint purchased in a supermarket, the effect of many of these taxes and regulations has been far greater for pubs than for supermarkets or other off-licensed premises.

In addition, much of the legislation aimed at controlling excessive consumption of alcohol has been aimed at pubs, since alcoholic products purchased in supermarkets are consumed elsewhere, so this aspect of regulation causes great expense for pubs, which is often unproductive, and virtually none for supermarkets.

It is also clear that much of the legislation which has caused extreme hardship for publicans and their staff has really amounted to little more than a public relations stunt. For example, police officers have been required to recruit 15 and 16-year-olds in schools and they are paid to go to pubs, under police supervision, to try and buy drinks. This sort of "entrapment" is prohibited in most areas of the law, but has been zealously pursued against licensed premises.

The problem with this sort of legislation is that it is hypocritical in the extreme, and counter-productive. Almost all adults started drinking in pubs, as most will admit, at about the age of 15 or 16. Many also permit their children of 15 or 16 year olds to go to pubs, usually preferring the supervised drinking circumstances, incorporating mixed age groups, found in pubs compared to the unsupervised drinking environments of parties, streets and parks.

The net result of the previous government's policy of increased taxes and regulations affecting the pub industry has been the closure of many pubs, often, but not always, in rural areas and villages, with consequent damaging effects on the social life of these communities.

In addition, the government's policies have resulted in pub consumption being replaced mainly by supermarket sales, resulting in a higher level of unsupervised drinking, and significantly lower taxes for the government. Lower taxes are a result of the fact that the average price of a pint in a pub is now over £2.50 and the tax payable, from the various taxes referred to above, is at least £1 per pint. In contrast, taxes, including VAT, are only about half that amount on a pint purchased from a supermarket, due to the lower VAT, but also to the lower impact of property and employment taxes. As alcohol consumption in pubs has declined sharply and off-sales have increased, alcohol related problems have worsened, which suggests that pub consumption is preferable to off-sales.

Unfortunately, the present government seems determined to proceed on the same path as the last government, especially in regard to legislation impacting pubs. The police are to be given further powers to close pubs, even though such powers seem not to have been requested by them. The authorities currently have ample powers for dealing with the relevant issues. In addition a draconian reduction of the ability of pubs to appeal in a number of important circumstances and a late night levy, in effect another tax on pubs, are proposed. In France, which many Britons like to believe has more restrictions and regulations which adversely affect business, VAT on food served in bars and restaurants has been reduced to 5.5%, and early evidence suggests that more tax has been levied by the French government as a result through, job creation, greater income tax, increased salaries for employees and increased corporation tax.

Serious UK governmental thought is required to reverse the trend towards job and social destruction resulting from a continuation of the policies of the previous government. In particular, if the UK government wishes to maximise jobs and tax from the pub and restaurant industry, the tax paid by pubs and restaurants should be more fairly equated with the tax paid by supermarkets.

Current trading and outlook

As indicated above, the biggest danger to the pub and catering industry is a continued increase in destructive taxes and regulations. It is to be hoped that the UK government’s attitude towards pubs, in particular, changes and that a co-operative and helpful, rather than a punitive, approach is adopted.

In the six weeks to 5 September 2010, like-for-like sales increased by 1.5% and total sales by 7.6%.

Our sales, profit and cashflow continue to be resilient and the performance of our recently opened pubs is encouraging. As previously indicated, we continue to believe that there are substantial opportunities for us to acquire new sites at reasonable prices. We are also seeking to invest in our existing estate with a planned programme of refurbishment expenditure as well as seeking to finish the rollout of our new till system. In addition we are planning to increase targeted investment in pub staffing and support. Our interest charges will be higher in the financial year ending July 2011 as previously indicated following our refinancing.

The Board remains confident of a resilient performance by the company in the current financial year.

Tim Martin
Chairman
10 September 2010

INCOME STATEMENT for the 52 weeks ended 25 July 2010
J D Wetherspoon plc, company number: 1709784

	Notes	**52 weeks ended 25 July 2010**	**52 weeks ended 25 July 2010**	**52 weeks ended 25 July 2010**	52 weeks ended 26 July 2009	52 weeks ended 26 July 2009	52 weeks ended 26 July 2009
		Before exceptional items Total £000	**Exceptional items (note 3) Total £000**	**After exceptional items Total £000**	Before exceptional items Total £000	Exceptional items (note 3) Total £000	After exceptional items Total £000
Revenue		**996,327**	–	**996,327**	955,119	–	955,119
Operating costs		**(896,314)**	**(10,557)**	**(906,871)**	(858,118)	(21,920)	(880,038)
Operating profit	**2**	**100,013**	**(10,557)**	**89,456**	97,001	(21,920)	75,081
Finance income	**4**	**16**	–	**16**	336	–	336
Finance costs	**4**	**(29,014)**	–	**(29,014)**	(31,182)	–	(31,182)
Fair value gain on financial derivatives	**4**	–	–	–	–	794	794
Profit before taxation		**71,015**	**(10,557)**	**60,458**	66,155	(21,126)	45,029
Income tax expense		**(19,680)**	–	**(19,680)**	(20,954)	1,224	(19,730)
Profit for the year		**51,335**	**(10,557)**	**40,778**	45,201	(19,902)	25,299
Earnings per ordinary share	**6**	**34.9**		**29.3**	32.6		18.2

STATEMENT OF COMPREHENSIVE INCOME for the 52 weeks ended 25 July 2010

	Notes	**52 weeks ended 25 July 2010 £000**	52 weeks ended 26 July 2009 £000
Cash flow hedges: loss taken to equity		**(25,393)**	(35,934)
Tax on items taken directly to equity	**5**	**6,856**	10,062
Net loss recognised directly in equity		**(18,537)**	(25,872)
Profit for the year		**40,778**	25,299
Total comprehensive income/(loss) for the year		**22,241**	(573)

CASH FLOW STATEMENT for the 52 weeks ended 25 July 2010
J D Wetherspoon plc, company number: 1709784

	Notes	**52 weeks ended 25 July 2010 £000**	**52 weeks ended 25 July 2010 £000**	52 weeks ended 26 July 2009 £000	52 weeks ended 26 July 2009 £000
Cash flows from operating activities					
Cash generated from operations	**7**	**153,405**	**153,405**	171,850	171,850
Interest received		**9**	**9**	460	460
Interest paid		**(30,252)**	**(30,252)**	(35,317)	(35,317)
Corporation tax paid		**(21,617)**	**(21,617)**	(20,497)	(20,497)
Gaming machine VAT receipt		**14,941**			
Purchase of own shares for share-based payments		**(6,129)**	**(6,129)**	(6,003)	(6,003)
Net cash inflow from operating activities		**110,357**	**95,416**	110,493	110,493
Cash flows from investing activities					
Purchase of property, plant and equipment		**(21,778)**	**(21,778)**	(9,546)	(9,546)
Purchase of intangible assets		**(2,294)**	**(2,294)**	(1,453)	(1,453)
Proceeds on sale of property, plant and equipment		**170**		495	
Investment in new pubs and pub extensions		**(53,804)**		(36,899)	
Purchase of lease premiums		**(3,935)**		(931)	
Net cash outflow from investing activities		**(81,641)**	**(24,072)**	(48,334)	(10,999)
Cash flows from financing activities					
Equity dividends paid	**9**	**(26,174)**		(10,439)	
Proceeds from issue of ordinary shares		**523**		580	
Advances/(repayments) under bank loans	**8**	**87,586**		(44,051)	
Repayment of US private placement	**8**	**(86,742)**			
Advances under finance leases	**8**	**9,092**		–	
Finance costs on new loan	**8**	**(7,626)**		(208)	
Finance lease principal payments	**8**	**(2,898)**		(889)	
Net cash outflow from financing activities		**(26,239)**		(55,007)	
Net increase in cash and cash equivalents	**8**	**2,477**		7,152	
Opening cash and cash equivalents		**23,604**		16,452	
Closing cash and cash equivalents		**26,081**		23,604	
Free cash flow	**6**		**71,344**		99,494
Free cash flow per ordinary share	**6**		**51.3**		71.7p

BALANCE SHEET as at 25 July 2010
J D Wetherspoon plc, company number: 1709784

	Notes	25 July 2010 £000	26 July 2009 £000
Assets			
Non-current assets			
Property, plant and equipment	10	**810,714**	773,903
Intangible assets	11	**6,700**	4,858
Deferred tax assets		**17,597**	10,766
Other non-current assets	12	**10,001**	7,969
Total non-current assets		**845,012**	797,496
Current assets			
Inventories		**19,911**	17,954
Other receivables		**19,727**	16,326
Assets held for sale		–	1,135
Cash and cash equivalents		**26,081**	23,604
Total current assets		**65,719**	59,019
Total assets		**910,731**	856,515
Liabilities			
Current liabilities			
Trade and other payables		**(162,553)**	(143,712)
Financial liabilities		**(2,829)**	(102,811)
Current income tax liabilities		**(11,501)**	(11,409)
Derivative financial instruments		–	(555)
Total current liabilities		**(176,883)**	(258,487)
Non-current liabilities			
Financial liabilities		**(411,643)**	(310,340)
Derivative financial instruments		**(61,391)**	(35,919)
Deferred tax liabilities		**(75,579)**	(77,633)
Other liabilities		**(23,094)**	(6,443)
Total non-current liabilities		**(571,707)**	(430,335)
Net assets		**162,141**	167,693
Shareholders' equity			
Ordinary shares		**2,783**	2,779
Share premium account		**142,975**	142,456
Capital redemption reserve		**1,646**	1,646
Hedging reserve		**(44,821)**	(26,284)
Retained earnings		**59,558**	47,096
Total shareholders' equity		**162,141**	167,693

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Notes	Called-up share capital £000	Share premium account £000	Capital redemption reserve £000	Hedging reserve £000	Retained earnings £000	**Total £000**
At 27 July 2008		**2,775**	**141,880**	**1,646**	**(412)**	**34,658**	**180,547**
Profit for the year		–	–	–	–	25,299	**25,299**
Cash flow hedges: loss taken to equity		–	–	–	(35,934)	–	**(35,934)**
Tax on items taken directly to equity	**5**	–	–	–	10,062	–	**10,062**
Total comprehensive loss		–	–	–	(25,872)	25,299	**(573)**
Exercise of options		4	576	–	–	–	**580**
Share-based payments	**2**	–	–	–	–	3,592	**3,592**
Purchase of shares held in trust		–	–	–	–	(6,014)	**(6,014)**
Dividends	**9**	–	–	–	–	(10,439)	**(10,439)**
At 26 July 2009		**2,779**	**142,456**	**1,646**	**(26,284)**	**47,096**	**167,693**
Profit for the year		–	–	–	–	40,778	**40,778**
Cash flow hedges: loss taken to equity		–	–	–	(25,393)	–	**(25,393)**
Tax on items taken directly to equity	**5**	–	–	–	6,856	–	**6,856**
Total comprehensive income		–	–	–	(18,537)	40,778	**22,241**
Exercise of options		4	519	–	–	–	**523**
Share-based payments	**2**	–	–	–	–	3,987	**3,987**
Purchase of shares held in trust		–	–	–	–	(6,129)	**(6,129)**
Dividends	**9**	–	–	–	–	(26,174)	**(26,174)**
At 25 July 2010		**2,783**	**142,975**	**1,646**	**(44,821)**	**59,558**	**162,141**

As at 25 July 2010, the company had distributable reserves of £14.7 million (2009: £27.0 million).

1. Authorisation of financial statements and statement of compliance with IFRSs

The preliminary announcement for the 52 week period ended 25 July 2010 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The principle accounting policies applied in the preparation of this preliminary announcement are consistent with those described in the 2009 annual report and accounts available within the investors section of the company's Web site: www.jdwetherspoon.co.uk

These preliminary statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. They have, however, been extracted from the statutory accounts for the period ended 25 July 2010 on which an unqualified report has been made by the company's auditors.

The 2009 statutory accounts have been filed with Registrar of Companies. The 2010 statutory accounts will be sent to shareholders in October 2010 and will be filed with Registrar of Companies, following their adoption at the forthcoming annual general meeting.

2. Operating profit before exceptional items – analysis of costs by nature

This is stated after charging/(crediting):

	52 weeks ended 25 July 2010 £000	52 weeks ended 26 July 2009 £000
Operating lease payments		
– minimum lease payments on land and buildings	**49,097**	45,390
– contingent rents on land and buildings	**12,934**	13,136
– equipment and vehicles	**310**	534
Repairs and maintenance	**34,233**	28,713
Rent receivable	**(392)**	(709)
Depreciation of property, plant and equipment		
– owned assets	**39,649**	42,998
– assets held under finance lease	**2,971**	985
Amortisation of intangible assets	**811**	878
Amortisation of non-current assets	**268**	235
Share-based charges	**3,987**	3,592
Auditors' remuneration		
Audit services:		
– audit fees	**152**	148
– other services supplied pursuant to relevant legislation	**26**	25
– other services	**10**	16
Total auditors' fees	**188**	189

3. Exceptional items

	52 weeks ended 25 July 2010 £000	52 weeks ended 26 July 2009 £000
Operating items		
Impairment of property and fixed assets	**10,557**	15,951
Property-related disposals and write-offs	–	4,404
Litigation costs	–	1,565
Operating exceptional items	**10,557**	21,920
Non-operating items		
Fair value loss on derivatives	–	(794)
Total exceptional items	**10,557**	21,126
Tax on exceptional items	–	(1,224)
	10,557	19,902

Exceptional items note:

The exceptional charge of £10,557,000 relates to the impairment of property and fixed assets related to an impairment review of the Company's assets as required under IAS 36.

Under the impairment review, each CGU is reviewed for its recoverable amount, determined as being the higher of its fair value less costs to sell and its value in use. This resulted in an impairment charge of £10,557,000.

During the previous year, included within the £15,951,000 charge in respect of impairment of property and fixed assets was a charge of £6,527,000, relating to the impairment review of the Company's assets, and £9,424,000, relating to a one-off depreciation adjustment.

Property-related disposals and write-offs in the prior year relate to one non-trading unit which was disposed of and three additional non-trading units which management decided to sell, resulting in a charge to the income statement arising from the reduction of their book value to their fair value. Also included are aborted property costs on several sites which management decided not to pursue. This resulted in a charge of £4,404,000.

Litigation costs of £1,565,000 in the prior year related to legal action against the Company's former estate agents, Van de Berg.

4. Finance income and costs

	52 weeks ended 25 July 2010 £000	52 weeks ended 26 July 2009 £000
Finance costs		
Interest payable on bank loans and overdrafts	**26,789**	25,890
Interest payable on US senior loan notes	**437**	4,737
Amortisation of bank loan issue costs	**1,227**	334
Interest payable on obligations under finance leases	**561**	221
Total finance costs	**29,014**	31,182
Bank interest receivable	**(16)**	(336)
Fair value gain on basis swaps	–	(794)
Total finance income	**(16)**	(1,130)
Total net finance costs	**28,998**	30,052

5. Taxation

Tax charged in the income statement

	52 weeks ended 25 July 2010 Before exceptional items £000	**52 weeks ended 25 July 2010 After exceptional items £000**	52 weeks ended 26 July 2009 Before exceptional items £000	52 weeks ended 26 July 2009 After exceptional items £000
Current income tax:				
Current income tax charge	**21,709**	**21,709**	21,438	21,449
Total current income tax	**21,709**	**21,709**	21,438	21,449
Deferred tax:				
Origination and reversal of timing differences	**746**	**746**	(484)	(1,719)
Impact of change in UK tax rate	**(2,775)**	**(2,775)**	–	–
Total deferred tax	**(2,029)**	**(2,029)**	(484)	(1,719)
Tax charge in the income statement	**19,680**	**19,680**	20,954	19,730
Tax relating to items charged or credited to equity				
Deferred tax:				
Tax credit on cash flow hedges	**(6,856)**	**(6,856)**	(10,062)	(10,062)
Tax credit in the statement of comprehensive income	**(6,856)**	**(6,856)**	(10,062)	(10,062)

6. Earnings and cash flow per share

Earnings per share has been calculated by dividing the profit attributable to equity holders of £40,778,000 (2009: £25,299,000) by the weighted average number of shares in issue during the year of 139,058,470 (2009: 138,826,552).

Earnings before exceptional items per share has been calculated before exceptional items detailed in note 3 and takes account of 59,032 (2009: 23,981) potential dilutive shares under option, giving a weighted average number of ordinary shares adjusted for the effect of dilution of 139,117,502 (2009: 138,850,533).

Adjusted earnings excludes exceptional items, as described in note 3, and a one-off adjustment in respect of a tax rate change of £2,775,000.

Earnings per share	**Earnings 52 weeks ended 25 July 2010 £000**	Earnings 52 weeks ended 26 July 2009 £000	**Earnings per share 52 weeks ended 25 July 2010 pence**	Earnings per share 52 weeks ended 26 July 2009 pence
Earnings after exceptional items	**40,778**	25,299	**29.3**	18.2
Earnings before exceptional items	**51,335**	45,201	**36.9**	32.6
Adjusted earnings	**48,560**	45,201	**34.9**	32.6

Free cash flow per share

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 current pubs, after funding interest, corporate 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, inflows and outflows of financing from outside sources and dividend payments and is based on the same number of shares in issue as that for the calculation of basic earnings per share.

Free cash flow per share	**52 weeks ended 25 July 2010**	52 weeks ended 26 July 2009
Free cash flow (£000)	**71,344**	99,494
Free cash flow per share	**51.3p**	71.7p

7. Cash generated from operations

	52 weeks ended 25 July 2010 £000	52 weeks ended 26 July 2009 £000
Profit attributable to shareholders	**40,778**	25,299
Adjusted for:		
Tax	**19,680**	19,730
Exceptional items	**10,557**	21,920
Fair value gain on financial derivatives	–	(794)
Amortisation of intangible assets	**811**	878
Depreciation of property, plant and equipment	**42,620**	43,983
Lease premium amortisation	**268**	235
Share-based charges	**3,987**	3,592
Interest receivable	**(16)**	(336)
Amortisation of bank loan issue costs	**1,227**	334
Interest payable	**27,787**	30,848
	147,699	145,689
Change in inventories	**(1,957)**	(2,058)
Change in receivables	**(3,401)**	(2,689)
Change in payables	**11,064**	32,473
Net cash inflow from operating activities before exceptional items	**153,405**	173,415
Outflow related to exceptional items	–	(1,565)
Net cash inflow from operating activities after exceptional items	**153,405**	171,850

8. Analysis of changes in net debt

	At 26 July 2009 £000	Cash flows £000	Non-cash movement £000	**At 25 July 2010 £000**
Cash on hand	23,604	2,477	–	**26,081**
Debt due less than one year	(101,845)	101,845	–	**–**
Debt due after one year	(309,461)	(95,063)	(1,088)	**(405,612)**
Derivative financial instrument – fair value hedge	(476)	–	476	**–**
Bank borrowing	(388,178)	9,259	(612)	**(379,531)**
Finance lease creditor – due less than one year	(966)	966	(2,829)	**(2,829)**
Finance lease creditor – due after one year	(880)	(7,160)	2,009	**(6,031)**
Net borrowings	(390,024)	3,065	(1,432)	**(388,391)**
Derivative – cash flow hedge	(35,996)	–	(25,395)	**(61,391)**
Net debt	(426,020)	3,065	(26,827)	**(449,782)**

9. Dividends paid and proposed

	52 weeks ended 25 July 2010 £000	52 weeks ended 26 July 2009 £000
Declared and paid during the year:		
Dividends on ordinary shares:		
– final dividend for 2008/09: 0p (2007/08: 7.6p)	**–**	10,439
– interim for 2009/10: 19p (2008/09: 0p)	**26,174**	–
Dividends paid	**26,174**	10,439
Proposed for approval by shareholders at the AGM:		
– final dividend for 2009/10: 0p (2008/09: 0p)	**–**	–

As detailed in the interim accounts, the board declared and paid a total dividend of 12.0p for the financial year ending 25 July 2010. The board also declared a special dividend of 7.0p. Both of these were paid on 1 April 2010.

10. Property, plant and equipment

	Freehold and long leasehold property £000	Short leasehold property £000	Equipment, fixtures and fittings £000	Expenditure on unopened properties £000	Total £000
Cost:					
At 27 July 2008	502,445	349,196	275,004	28,539	1,155,184
Additions	14,683	9,169	15,940	6,767	46,559
Transfers	11,114	1,061	244	(12,419)	–
Transfer to/from assets held for sale	93	–	–	(3,036)	(2,943)
Disposals	–	(1,011)	(1,065)	(1,751)	(3,827)
Reclassification	(1,945)	3,898	(1,621)	–	332
At 26 July 2009	526,390	362,313	288,502	18,100	1,195,305
Additions	6,566	2,633	16,576	62,174	87,949
Transfers	20,839	20,169	13,348	(54,356)	–
Transfer to/from assets held for sale	–	–	–	3,038	3,038
Disposals	(96)	(2,469)	(2,364)	(279)	(5,208)
At 25 July 2010	**553,699**	**382,646**	**316,062**	**28,677**	**1,281,084**
Depreciation and impairment:					
At 27 July 2008	57,294	76,402	228,747	–	362,443
Provided during the period	10,754	12,488	20,741	–	43,983
Impairment loss and depreciation adjustment	877	6,811	8,127	–	15,815
Disposals	–	(135)	(871)	–	(1,006)
Reclassification	7,053	34,458	(41,344)	–	167
At 26 July 2009	75,978	130,024	215,400	–	421,402
Provided during the period	10,204	12,375	20,041	–	42,620
Impairment loss	1,674	6,775	992	–	9,441
Disposals	(7)	(2,294)	(2,012)	–	(4,313)
Transfer from assets held for sale	–	–	–	1,220	1,220
At 25 July 2010	**87,849**	**146,880**	**234,421**	**1,220**	**470,370**
Net book amount at 25 July 2010	**465,850**	**235,766**	**81,641**	**27,457**	**810,714**
Net book amount at 26 July 2009	450,412	232,289	73,102	18,100	773,903
Net book amount at 27 July 2008	445,151	272,794	46,257	28,539	792,741

Impairment of property, plant and equipment

The Company considers each trading outlet to be a separate CGU, with each CGU reviewed annually for indicators of impairment.

In assessing whether an asset has been impaired, the carrying amount of the CGU is compared with its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use. In the absence of any information about the fair value of a CGU, the recoverable amount is deemed to be its value in use.

The Company estimates value in use using a discounted cash flow model, based on the expected future trading performance anticipated by management. There is a significant number of interconnected assumptions which underpin the value-in-use calculations. However, the underlying basis for the impairment model involves each CGU's projected cash flow for the financial year ending 24 July 2011, extrapolated to incorporate individual assumptions, in respect of sales growth, gross margin and cost-savings for that specific CGU. In establishing the value of the CGU's future cash flows, the board has approved a set of overall projections which it considers to be prudent.

The pre-tax discount rate employed by the Company this year was 10.0% (2009: 10.0%).

The board approved the discount rate, considering it to be prudent, yet reflective of the current economic climate.

As a result of this exercise, impairment losses in 2010 were £10,557,000 (2009: £6,527,000). £9,441,000 of this impairment charge relates to property, plant and equipment, as reflected in the table above, while £1,117,000 relates to other non-current assets.

Management believes that a reasonable change in any of the key assumptions, for example the discount rate applied to each CGU, could cause the carrying value of the CGU to exceed its recoverable amount, but that the change would be immaterial.

During the previous year, a review of the fixed-asset register was undertaken. As a result, a one-off depreciation adjustment of £9,288,000 was taken in property, plant and equipment, following a review by management in respect of certain assets which were not being depreciated in line with the Company's accounting policy. At the same time, management reclassified certain assets and certain accumulated depreciation to the correct statutory headings within property, plant and equipment, intangible assets and other non-current assets.

11. Intangible assets

	IT software costs £000
Cost:	
At 27 July 2008:	13,175
Additions	1,487
Reclassification	(328)
At 26 July 2009	14,334
Additions	2,653
At 25 July 2010	**16,987**
Amortisation	
At 27 July 2008	8,758
Amortisation during the period	878
Amortisation adjustment	6
Reclassification	(166)
At 26 July 2009	9,476
Amortisation during the period	811
At 25 July 2010	**10,287**
Net book amount at 25 July 2010	**6,700**
Net book amount at 26 July 2009	4,858
Net book amount at 27 July 2008	4,417

12. Other non-current assets

	Lease premiums £000
Cost:	
At 28 July 2008	8,819
Additions	931
Reclassification	(4)
At 26 July 2009	9,746
Additions	3,636
Disposals	(219)
At 25 July 2010	13,163
Amortisation	
At 27 July 2008	1,543
Amortisation during the period	235
Reclassification	(1)
At 26 July 2009	1,777
Amortisation during the period	268
Impairment charge	1,117
At 25 July 2010	3,162
Net book amount at 25 July 2010	10,001
Net book amount at 26 July 2009	7,969
Net book amount at 27 July 2008	7,276