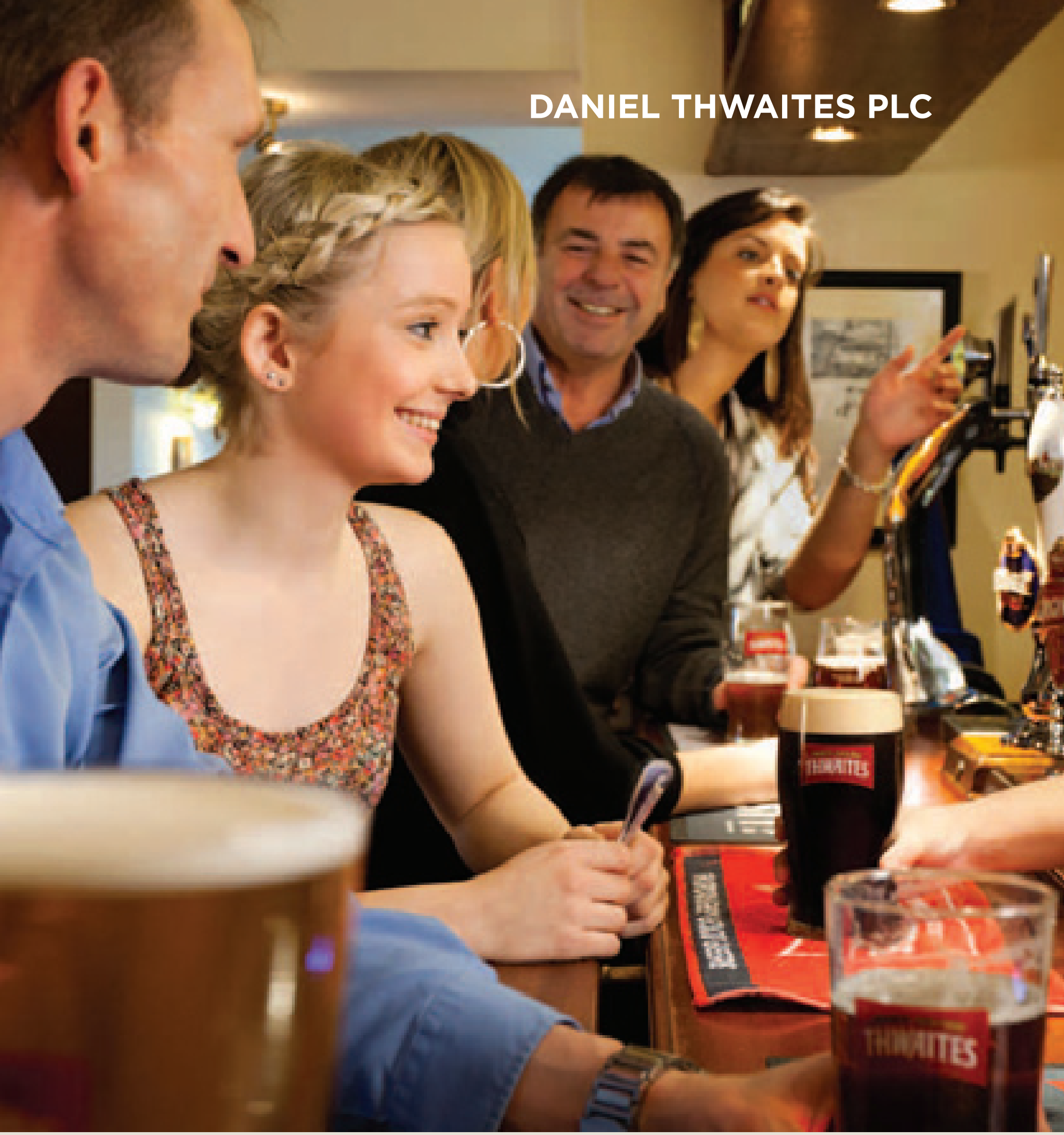

Interim Results

For the 6 months ended 30 September 2011

Financial Highlights

- Turnover up 8% to £70.9m (2010: 65.4m)
- Operating profit up 3% to £7.6m (2010: £7.4m)
- Earnings per share up 13% to 5.2p (2010: 4.6p)
- Interim dividend maintained at 1.10p per share
- Net debt £45.8m (2010: £42.8m)

Chairman's Statement

The recently refurbished Lion at Settle, one of the Thwaites Inns of Character

Results

I am pleased to report an encouraging set of results for the six months ended 30th September 2011 in what has been another very challenging period for the economy and the consumer and corporate sectors in which we operate.

Group turnover for the period of £70.9m (2010: £65.4m) represents an increase of 8% over the same period last year, and operating profit of £7.6m (2010: £7.4m) has increased by 3%.

In Thwaites Beer Co. our free trade business has benefitted from a good start to the year and has made steady progress. We have continued with the development of all our brands which continue to grow well in national pub groups, particularly Wainwright, where volumes increased by 8% in the period. Trading in Thwaites Pubs benefitted from the good weather in April and May and the extra bank holiday for the Royal Wedding. In addition, we have completed 32 investment projects in our pub estate at a cost of £1.3m in the first half year and have a similar programme for the rest of the year. Beer volumes in our core pub estate were down 4% which represents a significant improvement on declines experienced in recent years. Overall, operating profits for Thwaites Beer Co. and Thwaites Pubs increased by 2% to £5.0m (2010: £4.9m) due to increases in volumes.

Redevelopment underway at the Brownhill Arms in Blackburn

During the period we sold 8 pubs from the bottom end of our pub estate, at prices broadly in line with net book value, but generating a loss after disposal costs of £0.2m. The proceeds from these sales were reinvested in the purchase of 3 high quality pubs.

Operating profits in Shire Hotels & Spas and Thwaites Inns of Character increased slightly to £3.1m (2010: £3.0m). The hotel market continues to recover slowly from recession, with small increases in occupancy and food and beverage sales. The residential conference market is still very fragile, and we have suffered significant food and utility price inflation, which has been difficult to recover. Thwaites Inns of Character grew in April with the acquisition of The Fleece, Cirencester and this property is currently undergoing a major refurbishment programme.

Net debt has increased to £45.8m (2010: £42.8m) due to the investments we are making to support the future growth of the business. Interest costs of £3.2m are at the same level as last year, and remain high due to the hedging arrangements that were put in place several years ago. The interest charge will not reduce until LIBOR increases from its current historically low level.

Earnings per share increased by 13% to 5.2p (2010: 4.6p).

The Anglers Arms at Haverthwaite, acquired in September 2011

Dividend

The Board recommends an interim dividend of 1.10p (2010: 1.10p) be paid on 3rd January 2012, to shareholders on the register on 2nd December 2011.

Outlook

On 26th July 2011 we announced our intentions to build a new modern and efficient brewery to provide a platform for the long term growth of our beer company. We are working in partnership with Sainsbury's, which has agreed to buy our existing Blackburn site, subject to planning permission for a new supermarket. The proceeds from this sale will help to fund the construction of a new brewery. The public announcement of our intentions has allowed the search for a suitable site for our new brewery to get underway and we anticipate that the move will take between three and four years.

We are pleased with the progress we have made over the last six months, but we have certainly felt the impact of relentless duty increases, the burden of regulation to our pubs, high cost inflation and government spending cuts, particularly in the North West.

Increasing distribution
of premium bottled ales

We remain cautious about the on-going impact of these on our business.

We have a strong balance sheet and the facilities to capitalise on acquisition opportunities as they become available. As I have said before we will continue to be selective in those and ensure that we wait to acquire high quality assets which will create long term shareholder value.

Mrs A J M Yerburgh
Chairman

22 November 2011

Profit & Loss Account
For the 6 months ended 30 September 2011

	Note	**Unaudited 6 months ended 30 September 2011 £'m**	Unaudited 6 months ended 30 September 2010 £'m	Audited 12 months ended 31 March 2011 £'m
Turnover		**70.9**	65.4	126.7
Operating profit				
Beer Company and Pubs		**5.0**	4.9	7.9
Hotels and Inns		**3.1**	3.0	5.7
Group central charges		**(0.5)**	(0.5)	(1.3)
		7.6	7.4	12.3
(Loss)/profit on sale of properties		**(0.2)**	–	0.1
Interest payable		**(3.2)**	(3.2)	(5.9)
Net interest on pension liability		**0.4**	0.2	0.5
Profit on ordinary activities before taxation		**4.6**	4.4	7.0
Taxation	2	**(1.3)**	(1.5)	(1.7)
Profit after taxation		**3.3**	2.9	5.3
Basic earnings per share		**5.2p**	4.6p	8.6p
Diluted earnings per share		**5.2p**	4.6p	8.6p

Balance Sheet at 30 September 2011

	Unaudited 30 September 2011 £'m	Unaudited 30 September 2010 £'m	Audited 31 March 2011 £'m
Fixed assets			
Tangible assets	**289.4**	292.0	287.2
Investments	**10.3**	12.6	11.4
	299.7	304.6	298.6
Current assets			
Stocks	**4.9**	4.7	4.5
Debtors	**16.9**	16.3	16.0
Cash and bank balances	**1.5**	9.2	10.0
	23.3	30.2	30.5
Creditors due within one year			
Trade and other creditors	**(20.6)**	(23.5)	(23.8)
Net current assets	**2.7**	6.7	6.7
Total assets less current liabilities	**302.4**	311.3	305.3
Creditors due after one year			
Loan capital	**(47.3)**	(52.0)	(50.0)
Provisions for liabilities and charges			
Deferred taxation	**(5.9)**	(6.7)	(6.1)
Net assets excluding pension liability	**249.2**	252.6	249.2
Net pension liability	**(8.5)**	(13.5)	(9.7)
Net assets including pension liability	**240.7**	239.1	239.5
Capital and reserves			
Called up share capital	**15.8**	15.8	15.8
Revaluation reserve	**96.1**	99.6	96.6
Profit and loss account	**128.8**	123.7	127.1
Equity shareholders' funds	**240.7**	239.1	239.5

Notes

1. The interim accounts, which have not been audited or reviewed, have been prepared on the basis of the accounting policies set out in the 2010/11 group accounts.

2. The taxation charge is based on the estimated tax rate for the year.

3. The financial information contained in this statement does not constitute statutory accounts as defined in S435 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2011, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.