



Welcome to the 119th Adnams AGM



A year of progress
and innovation.
Join us on our journey...

Today's Agenda

Fundamental principles

The story of 2008

Financial headlines

Action taken

Cellar & Kitchen – Case study

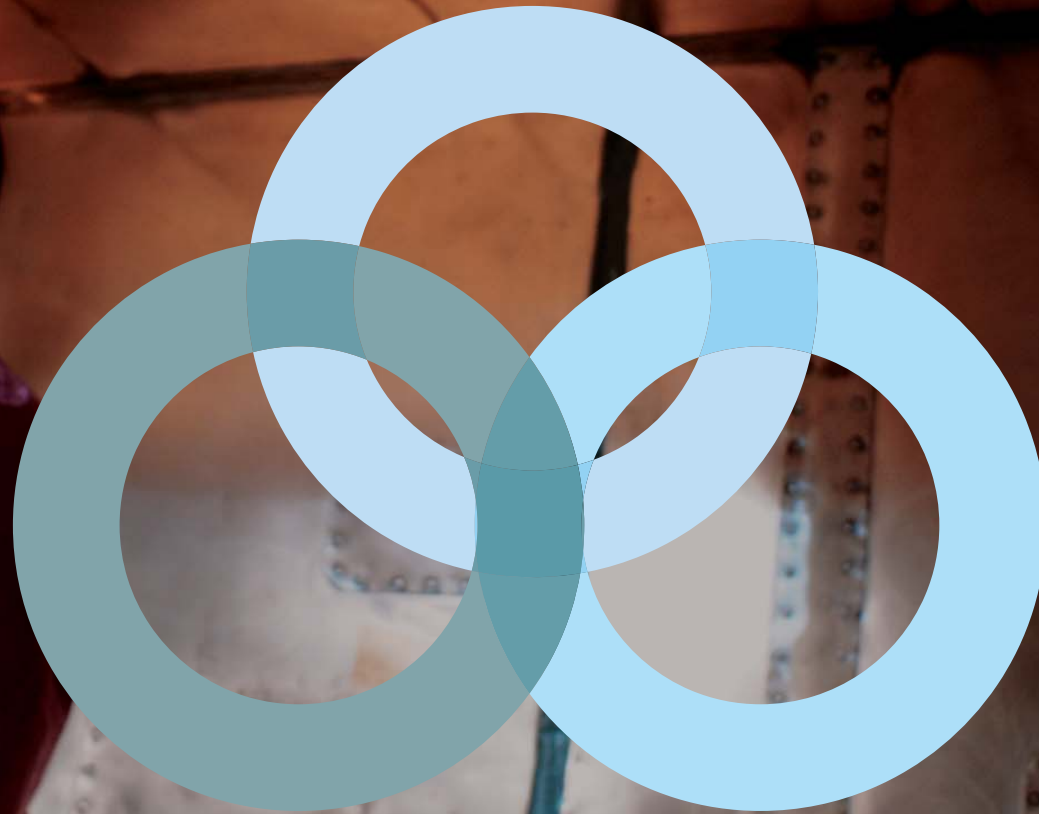
1st Quarter 2009 indications

Summary



Fundamental Principles

**SOCIAL
VALUES**



**LONG TERM
PERSPECTIVE**

**PRIDE IN OUR
LOCALITY**



Adnams

Story of 2008

New business plan – Gearing up – Summer 07 – early 08

Economic car crash
Some of our biggest customers involved

Accelerator pedal to the brake

Slowing down takes time – 6 months

Financial headlines



Turnover
-0.6%

Operating profit
-63.8%

Dividends (including proposed)
+1.6%



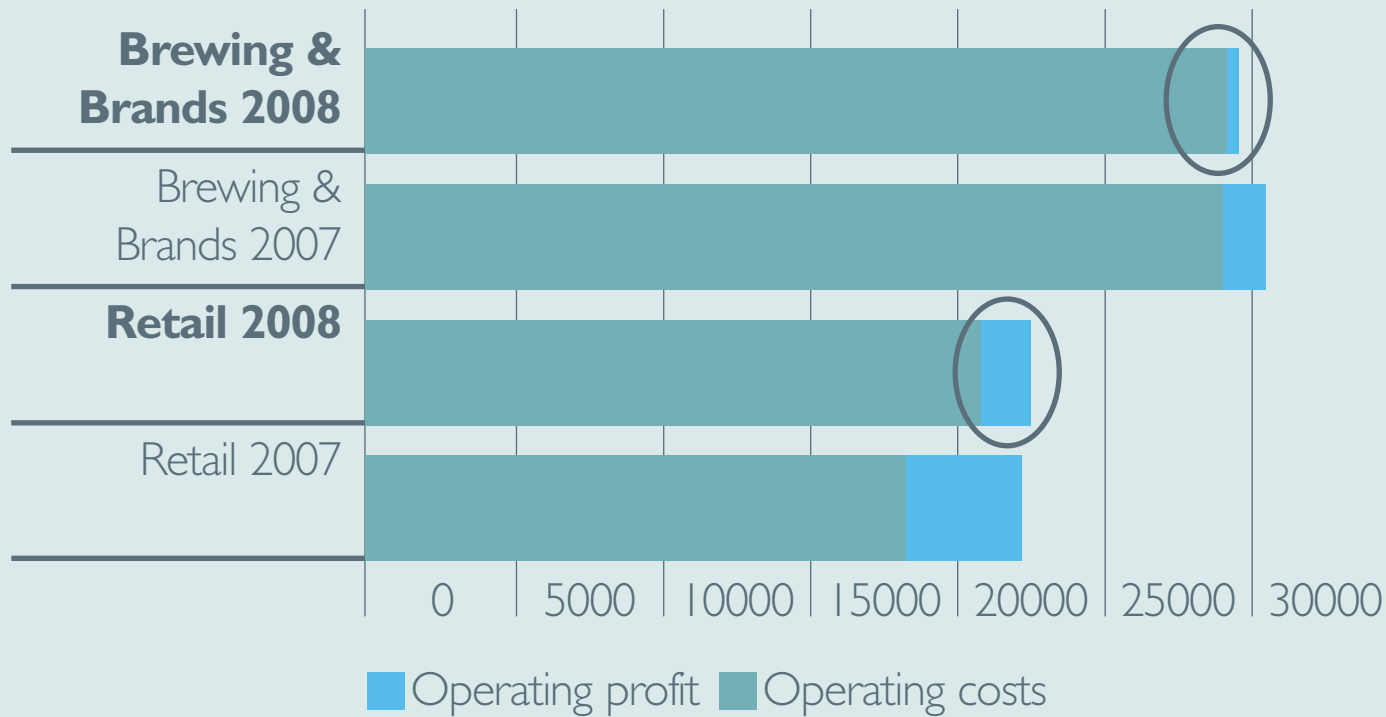
Cash flow

	2008 (£m)	2007 (£m)
Operating cash flow	2.8	6.4
Interest, dividends & tax	(2.0)	(2.0)
Capital expenditure	(3.9)	(3.5)
Receipts from fixed asset sales	1.9	4.5
Cash flow	(1.2)	5.4
Opening debt	(10.9)	(16.3)
Closing debt	(12.1)	(10.9)



Sales Analysis by Business

2008 vs 2007





Actions taken

Stopped Cellar&Kitchen expansion for the time being

Reduced costs

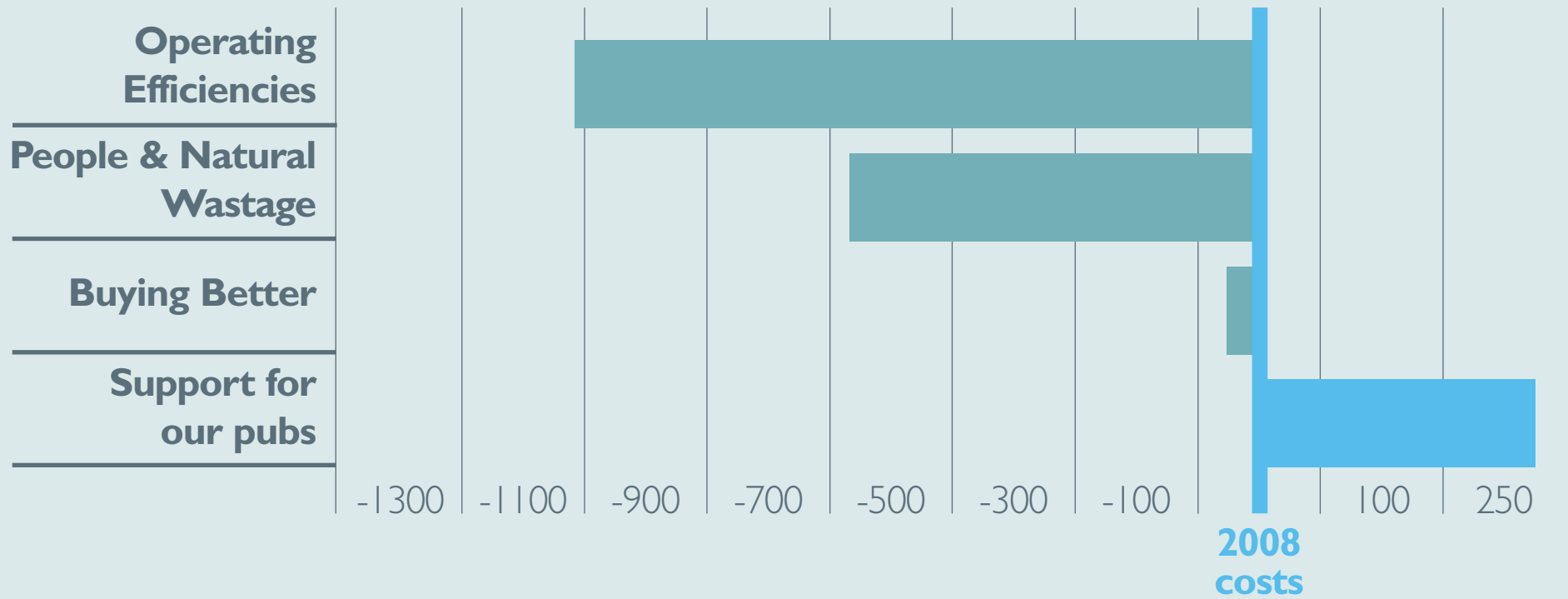
Ensured our pubs were equipped to survive a substantial downturn

Sought out and found new customers



Budgeted 2009

Cost Savings/Increases vs 2008 Actual





Cellar&Kitchen – A case study

Objectives:

Build upon 30+ years experience in wine –
Keep it relevant to 21st Century

Build substantial new revenue stream

Replace revenues lost through the sale of 'bottom end' tenancies

Introduce the brand to new customers

Capitalise on consumer trends and brand strength
in eating, drinking and relaxation

Cellar&Kitchen – A case study

The journey so far

A new business –
Average age 21
months

9 stores and online
– some profitable –
some not. Overall
somewhat to go

Revenue growth
year on year 22%

New customers –
younger (36 – 45
years old), female,
high disposable
income

Confidence in the
proposition and the
team to deliver it

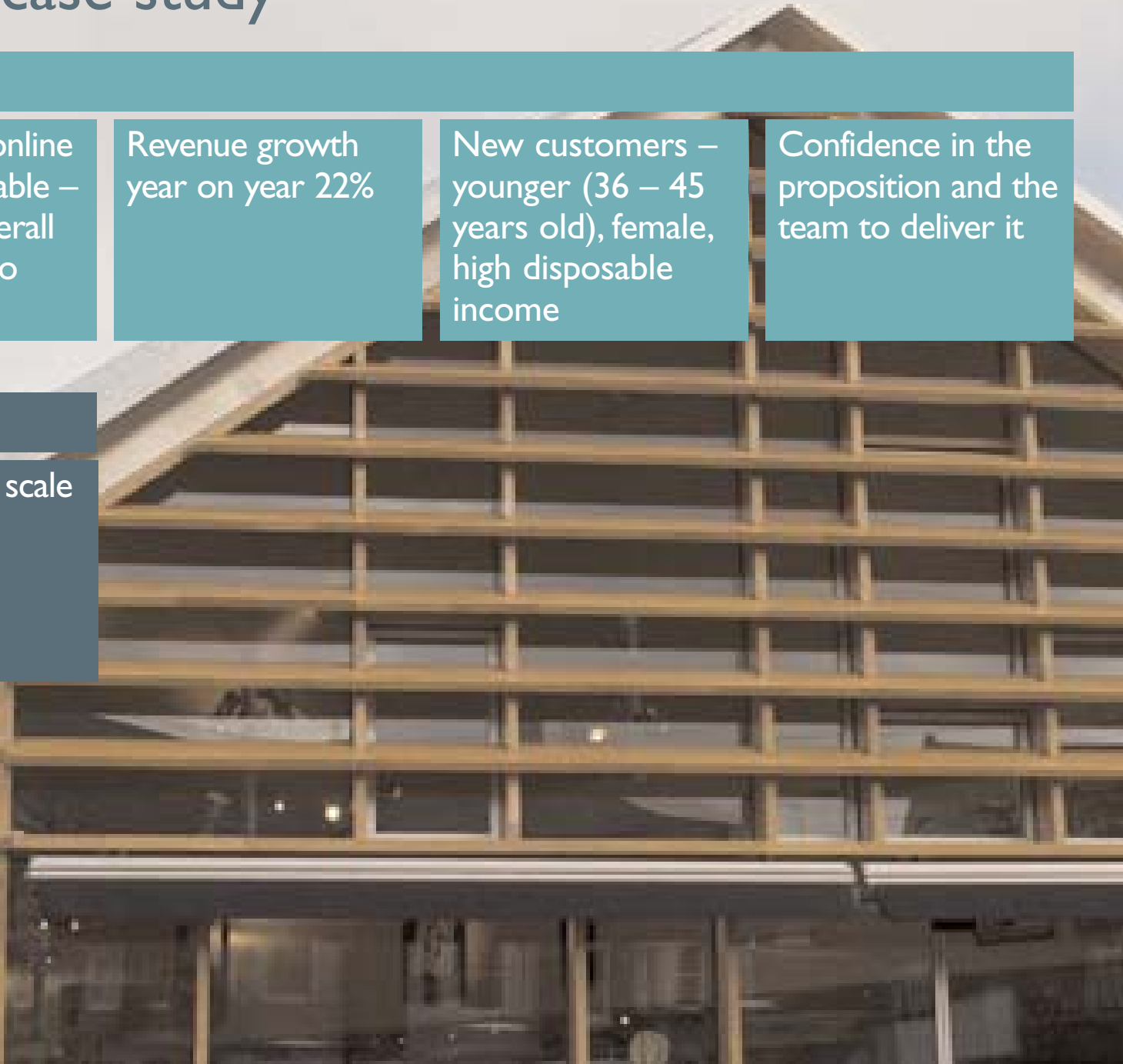
But some issues

Euro/Sterling
exchange rate

Economies of scale



Cellar&Kitchen





Ist Quarter

2009 performance



Enter the year with much reduced cost base

Beer volume decline arrested

Ist Quarter turnover in shops +22% – Cellar&Kitchen business moving towards profitability

Own beer volumes in our pubs +4.2% – like for like

Acquired 3 new iconic pubs

Hotels performing well – Investment in Lighthouse rooms already proving successful

Summary

2008 was a difficult year financially

Sustainable throughout the economic downturn

Continue to position ourselves for the future

Dividend maintained

First quarter of 2009 encouraging

Sticking to our fundamental principles and way of doing business





Articles of Association

Conflicts of Interest

Auditors and share valuation

Web communications

ADNAMS

SOUTHWOLD

