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1 December 2006

THE WOLVERHAMPTON & DUDLEY BREWERIES, PLC

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2006

Highlights

- Record underlying* earnings per share up 14.0% to 95.1 pence (2005: 83.4 pence)
  - basic earnings per share of 95.1 pence (2005: 51.9 pence)
- Total dividend for the year up 10.0% to 42.75 pence per share (2005: 38.86 pence)
- Underlying* profit before taxation up 13.2% to £101.5 million (2005: £89.7 million)
  - profit before taxation and after exceptionals £101.5 million (2005: £54.2 million)
- Turnover and profit growth in each of the three trading divisions
- Average profit per pub in The Union Pub Company up 5.0%
- Pathfinder Pubs like-for-like sales up 2.4% for full year; up 3.7% in second half-year
- Strong trading since year end – like for like sales up 9.1% in Pathfinder Pubs
- Intention to return around £100 million to shareholders in the new financial year, subject to acquisitions
- Company name changing to Marston's PLC reflecting national spread of business
- New sponsorship deal – Marston's is now the official beer of the England & Wales Cricket Board (The ECB)

* The underlying results reflect the performance of the Group before exceptional items. The Directors consider that these figures provide a useful indication of the underlying performance of the Group.
2005 comparatives have been restated under IFRS.

Commenting, Ralph Findlay, Chief Executive, said

'These record results reflect the appeal of our high quality pubs and brands, supported by the successful integration of recent acquisitions. Trading in the new financial year has been strong, benefiting from good weather. We continue to drive value from our high quality pub estate, beer brands and integrated model.'

ENQUIRIES:

The Wolverhampton & Dudley Breweries, PLC
Ralph Findlay, Chief Executive
Paul Inglett, Finance Director
Tel: 020 7796 4133 on Friday 1 December 2006 only
01902 329516 thereafter

Hudson Sandler
Andrew Hayes/Nick Lyon/
Amy Faulconbridge
Tel: 020 7796 4133

High quality images of the new Marston's PLC name and identity with the Chief Executive and Finance Director for the media to access and download free of charge, are available from Visual Media Online at *www.vismedia.co.uk.*

To access interviews with Ralph Findlay and Paul Inglett, available in video, audio and text, go to www.cantos.com.

Chairman's statement

These record results include turnover and profit growth in each of our trading divisions, reflecting good organic development and the successful integration of acquisitions. In a mature, consolidating market we continue to derive value from our high quality pub estate and our beer brands, whilst benefiting from the operational flexibility and increased opportunity for investment afforded by our integrated business model.

Results

Turnover increased by 7.1% to £595.5 million (2005: £556.1 million), including Celtic Inns which was acquired in March 2006 for £43.3 million.

Underlying operating margin increased to 25.6% (2005: 24.7%). This good performance was achieved, despite significant cost and legislative pressures, by maximising synergies from acquisitions, transferring smaller managed pubs to tenancy, and good cost control.

Underlying profit before taxation increased by 13.2% to £101.5 million (2005: £89.7 million).
Profit after exceptional items and before tax was £101.5 million (2005: £54.2 million).

Net cash inflow from operating activities increased by 91.5% to £190.0 million.

Underlying earnings per share increased by 14.0% to 95.1 pence per share (2005: 83.4 pence). Basic earnings per share after exceptional items were 95.1 pence per share (2005: 51.9 pence). During the year £21.4 million was spent purchasing 1.6 million shares of which 516,000 were bought by the Company's employee benefit trust with the remainder being held as treasury shares.

Net debt at the year-end was £893.7 million, resulting in interest cover of 3.0 times (2005: 2.9 times).

Dividend

The Board proposes a final dividend of 28.23 pence per share, which brings the total dividend for the year to 42.75 pence per share (2005: 38.86 pence), an increase of 10.0% on the previous year. The Company has increased dividends by an average of over 10% per annum for a period of more than 30 years and continues to adopt a progressive dividend policy. The final dividend, if approved, will be paid on 31 January 2007 to those shareholders on the register at the close of business on 29 December 2006.

Share split

The Company's shares have increased in value significantly over the last five years and the Board is recommending a 4-for-1 share split, subject to approval by shareholders, at an Extraordinary General Meeting to be convened on 8 January 2007. The Directors believe that the proposed share split will benefit shareholders by further enhancing the liquidity and marketability of the Company's shares due to the increased number of shares in issue at a lower price.

Strategy

Sector consolidation continued to dominate the headlines in 2006, and during the year we actively explored a number of opportunities. However, competition for acquisitions has recently pushed pricing to very high levels and, in our view, the opportunity for creating value for our shareholders through acquisition has been limited.

We have developed a successful strategy, however, to accelerate our organic development, particularly in Pathfinder Pubs where we have a good track record of new pub openings and a pipeline of sites, allowing us to be confident of next year's development plan. This strategy includes developing our customer offer as well as acquiring new sites. Returns from organic development are often significantly more attractive than from large acquisitions, and are achieved at lower risk.

We will continue to explore acquisition opportunities, and have a strong balance sheet and good cash flow to enable us to move quickly and decisively when required.

In view of our strong financial performance and relatively conservatively geared balance sheet, we intend to continue to buy back shares in the market. We are planning to return around £100 million to shareholders this financial year in addition to dividends, thereby enhancing earnings, subject to preserving flexibility to make acquisitions if value enhancing opportunities arise.

Employees

Our success is due to the tremendous contributions made by our employees, whether they work in our pubs, breweries or in support functions. It is clear that they take great pride in what they do, and I am extremely grateful for all their hard work and the difference that they make.

Company name

We intend to change the Company name to Marston's PLC, subject to shareholder approval, which is to be sought at an Extraordinary General Meeting on 8 January 2007. This change reflects the fact that in recent years we have become a national business, as demonstrated by the growth of the Marston's brands and the acquisition and development of our pub estate across the country.

This change of name therefore reflects our development, but it also represents an opportunity to emphasise our tradition, heritage and values, and to better promote our pubs across the country. The name change will be effective immediately following shareholder approval.

Outlook

Detailed plans are in place in preparation for the impending smoking ban in England and Wales which is due to come into force during the summer of 2007 in England, and possibly earlier in Wales. Our investment plans, both in managed and tenanted pubs, are well advanced. We do not know what the precise impact of the ban will be, but as around 90% of our pubs have gardens, patios or outside trading areas, our detailed preparation for the ban allows us to target opportunities and reduce risk.

Although we remain cautious because of cost pressures affecting consumers and our own cost base, we are confident that our high quality estate, strong balance sheet, conservative financing and strong cash flow will enable us to continue to exploit opportunities for further profitable growth.

David Thompson
Chairman

Chief Executive's review

These strong results include a 7.1% increase in turnover, a 13.2% increase in underlying profit before tax, and a 14.0% increase in underlying earnings per share, with turnover and profit increased in each of our trading divisions.

This excellent progress demonstrates the value we are able to generate from our high quality estate, beer brands and our integrated model. We also benefited from good weather and the World Cup in the second half-year, and our focus on continuous investment and improvement in the quality of our pubs and beer brands. The introduction of more flexible opening hours as part of the Licensing Act in November 2005 did not have a significant impact on our performance.

Business development and strategy

The effective and fast integration of acquisitions has contributed to our strong financial performance. Our integrated business model has been beneficial in making successful acquisitions, and offers opportunities to create additional value. The tenants of Burtonwood, Jennings and Celtic Inns, for example, now have access to a wider range of beers, wines and spirits, while at the same time creating distribution opportunities for our Marston's, Jennings and Banks's beers. The Jennings beers, particularly Cumberland Ale, have proved popular across the business, and are showing strong growth.

Our acquisitions have been consistent with a clear strategy of investment in predominantly freehold community pubs. In the last twelve months, competition for acquisitions has become more intense, and fewer potential acquisitions have met our strict financial and operating criteria. We acquired Celtic Inns in March 2006 but, having looked at a number of other transactions since then, we believe that there is now a reduced opportunity to create real value for our shareholders through acquisition. Investor demand for freehold pubs with predictable cash flow has increased substantially, and such pubs are attracting a wider range of investors than was the case historically. Prices have risen such that investment returns are now comparable to rental yields from investment properties.

We will continue to explore acquisition opportunities as we are confident that our integrated model can create greater value from acquisitions than is available to others. Nevertheless we have always recognised that organic development combined with efficient balance sheet management is an equally important element of our strategy.

Each of our trading divisions has a well defined plan for organic growth as described below. Underpinning these plans is a clear focus on the quality of our pub estate and customer offers, as market trends favour well situated pubs offering good quality food and drink in an attractive environment with high standards of service. Our estate is well positioned to meet longer term growth in informal dining, and to attract families whilst meeting legislative requirements as the regulatory environment becomes more challenging.

This focus is reflected in the fact that over the last five years the average turnover of our managed pubs has increased by over 50% and the average profit of our tenanted estate has also increased by over 50% through a combination of investment and disposal of less well situated pubs.

Looking forward, 2007 will see the introduction of a ban on smoking in public places, including pubs. The ban is likely to be in place by summer 2007, possibly earlier in Wales.

We are well prepared for this significant change, and by the time the smoking ban is introduced we will have invested approximately £20 million in outside areas, mainly in pub gardens and patios - facilities which are available in around 90% of our pubs. We are encouraged by the support and interest shown by our tenants and lessees in preparing for the ban's introduction. Based upon the early evidence from the ban introduced in Scotland in March 2006 and from Ireland where it was introduced in 2004, we anticipate that while there is some risk to drinks sales and gaming machine income, there is also an opportunity to increase food sales and attract more customers.

Pathfinder Pubs

Turnover increased by 4.2% to £330.7 million. Underlying operating margin was 19.2% (2005: 19.9%), and underlying operating profit increased by 0.3% to £63.5 million.

Total like-for-like sales increased by 2.4%, with good summer weather and the World Cup contributing to second half-year like-for-like sales growth of 3.7%. Average turnover per pub increased by 10% to £13,200 per week.

New site development in Pathfinder Pubs is a key element of our organic growth. Over the last four years we have invested significantly in the specialist skills required to target successfully new pub sites and to manage licensing and planning processes, with the number of new site openings increasing from 8 in 2005 to 12 this year. We have a good pipeline of sites for future development, and next year we expect to open 20 new freehold pubs where we have selected the site, the design and the customer offer. This development is critical to the continuous improvement in the quality of our estate, and in extending our trading geography. We also acquired 14 existing trading units for refurbishment and conversion to one of our operating formats, making a total of 26 new pubs opened this year.

New community pubs were opened in Kent, Northamptonshire, Cambridgeshire, Somerset, Hampshire and Durham. These pubs are often built on new housing developments, and typically cost around £2 million per pub to build – they are of better quality than most trading pubs sold in the market, and generate higher returns. Food sales in new build pubs are generally 50% of total sales, contributing to an 8% increase in food sales overall.

Community pubs represent the majority of the pubs in our estate, but our high street estate is developing well. This year we opened a new Pitcher & Piano in Taunton, and refurbished Pitcher & Piano bars in Cornhill, York, Harrogate and Swansea. Over the last two years the Pitcher & Piano bars have been refurbished to a contemporary design, and the Pitcher & Piano business has performed strongly overall. Since the year-end we have opened a new Pitcher & Piano bar in Brighton and have acquired sites for conversion in Derby and Poole.

We added three new bars trading as 'Bluu' in Nottingham, Manchester and in Hoxton Square London. Bluu is a premium food and late night venue offer operated by the Pitcher & Piano management team.

These developments emphasise the value of a managed estate which includes a range of community pubs and high street bars with different operating styles, giving us greater scope for profitable investment. This year we invested a total of £34.2 million on pub refurbishment, including a number of pubs from the Wizard estate acquired in 2004: the Rack & Tenter, Moorgate, and Pavilion End, Watling Street, both in London; The Sarah Moore, Leigh-on-Sea; the Treasury, Sutton; the Custom House, Romford; the Counting House, Watford and the Station House, Chingford. Similarly, from the former Burtonwood estate we re-opened Childwell Abbey, Liverpool; Eastham Ferry, Wirral and The Green Lodge, Hoylake, after significant refurbishments – the last just in time to benefit from the British Open Golf Championship.

With 459 managed pubs in the estate, Pathfinder Pubs has the scale to compete effectively on a national basis. We have invested in a single EPOS (Electronic Point Of Sale) platform across the estate and in broadband for all pubs. We have also been consistent and diligent in our investment in training for all employees. The skill and enthusiasm of our employees are the most important ingredients for success in Pathfinder Pubs.

The Union Pub Company

Turnover increased by 16.6% to £178.8 million. Underlying operating margin increased by 2.4% to 44.9%, and underlying operating profit increased by 23.3% to £80.3 million. Average profit per pub increased by 5.0% to £57,400 per pub per year.

The Union Pub Company, comprising 1,893 tenanted and leased pubs, includes 63 pubs which were part of the Celtic Inns estate acquired in March 2006, and 93 smaller managed pubs transferred from Pathfinder Pubs in the second half-year.

We have supported tenants and lessees as they manage and develop their businesses in a period of unprecedented change and significant challenges. In 2005, they dealt with a major reform of licensing regulation, and got to grips with the requirements and implications of the new Licensing Act. During 2006 they have been preparing for the introduction of the smoking ban in England and Wales next year with minimal guidance to date from the Government. At the same time, they are having to absorb higher energy and labour costs.

As a consequence of these challenges, the level of support and advice that licensees receive from the pub operating company really makes a difference, and The Union Pub Company strives to be amongst the best in the industry in offering support and guidance to its tenants and lessees. We were the first major operator to volunteer financial and practical support in dealing with licensing reform, and we have again been active and early in advising licensees to prepare properly for the introduction of the smoking ban, committing investment of over £10 million as a consequence.

Over 1,500 licensees so far have agreed investment schemes with us in gardens, patios and food; their response to the challenges and opportunities presented by the proposed smoking ban has been overwhelmingly positive.

This year we launched uniON, a new intranet service for licensees, which features on-line ordering, promotions, advice on wine choice and personalised menus, and an on-line accounting service which saves licensees both time and money. Theme nights, fundraising events and sporting competitions are also being catered for, including the provision of personalised team shirts and trophies. We will shortly be launching additions to the package so that our business development managers can access bespoke business-building kits to provide individual support for capital expenditure projects, and an interactive planning calendar, which licensees can use to plan events and pre-order posters.

Our in-house training programme, the 'Skills Pool', had a record 1,500 attendees. The Skills Pool includes a number of modules including RAPPID (Run a Profitable Pub In Days), wine training, cellar and beer management, hygiene, responsible retailing and knowledge of licensing law. Over 1,300 DVD's of chef skills were requested, reflecting the growing importance of food within the estate.

The recruitment of good licensees is fundamental to the continuing success of The Union Pub Company. While many prospective licensees are still attracted by letting boards and trade press advertising, more and more are coming via the web-site. In September alone we registered over 40,000 visitors to The Union Pub Company web-site, indicative of the high level of interest in the business and in becoming a future tenant or lessee of one of our pubs.

The 93 pubs transferred during the second half-year from Pathfinder Pubs have been well integrated and will contribute to the continued growth of The Union Pub Company in 2007. We will also benefit from the ongoing extension of longer term leases across the estate, with at least 1,200 of our pubs being suitable for leasing to independent operators as opposed to being let under shorter term agreements. We now have around 900 such leases, having introduced this option in 2002. The attractions of longer leases for operators include the potential for greater rewards for the entrepreneurial skills required to build a successful business and, for our part, we are able to attract better operators by having a wider choice of attractive agreements.

WDB Brands

Turnover increased by 0.7% to £86.0 million. Underlying operating margin increased by 0.1% to 20.9%, and underlying operating profit increased by 1.1% to £18.0 million.

The UK beer market declined by 2% last year. The continuation of long-term trends including the growth of lager as a proportion of the market and the increasing consumption of alcohol at home rather than in pubs are reflected in our operating plans. In our pub businesses, we have exploited these trends by investing in our food offers and by developing our wines and spirits offers, a product category which we increased by around 10% last year.

In WDB Brands, we recognise these long term trends by focusing increasingly on cask ale and premium products. Although pubs are facing tough competition from the off-trade, cask ale offers pub retailers a unique benefit and point of difference compared to all other sector categories in that it is not available to off-trade customers. Our beer brand range includes Marston's Pedigree, unique in being brewed using the famous Burton Union system; Jennings Cumberland Ale from the Lake District; and popular Midlands brands such as Banks's and Mansfield, which have a strong local following.

Our market share of the premium ale market increased by nearly 1%, with volume up 3%. WDB Brands is Britain's biggest brewer of premium cask ale and has a 16% share of the draught premium ale market. Marston's Old Empire performed particularly well, up 9.5%, and Jennings Cumberland Ale increased by 12%. The Banks's and Mansfield brands performed in line with the standard ale market.

Excellent beer quality is a competitive advantage, and it is an area to which we devote considerable resources. We employ our own Beer Quality Technicians to visit pubs – ours and those operated by other pub companies or independent operators who stock our brands – to advise on good cellar management and beer keeping. This year we launched a new initiative called 'Cask Force' (*www.caskforce.co.uk*), as a result of which nearly 1,000 people received training in their pub, while the prize for the ultimate winners was their rent paid for a year. The initiative, run jointly with The Morning Advertiser, has just been launched for a second year.

New product development this year included the launch of Marston's Smooth in a can, with the Marston's Smooth brand showing strong growth, and the expansion of an unrivalled seasonal beer programme which has been successful with tenants and free traders.

We maintained our marketing investment at £4.2 million, and were delighted to announce in August that Marston's is 'the Official Beer of England' in a new sponsorship deal with the ECB, the Cricket Board of England and Wales. This sponsorship builds on our involvement with cricket and many of the county cricket clubs; for example earlier in the summer Marston's became the Official Beer of Surrey Cricket Club, with associated pouring rights. More recently, we have developed other significant new relationships, including becoming the Official Beer of Lords.

Current trading

Trading in the new financial year has been strong, benefiting from good weather. Our performance in the 8 weeks to 25 November 2006 has been in line with expectations, with particularly strong like-for-like sales growth of 9.1% in Pathfinder Pubs.

Ralph Findlay
Chief Executive

Financial review

International Financial Reporting Standards (IFRS)

These are our first annual results to be prepared under IFRS. Restated comparisons for the year ended 1 October 2005 have already been published on our website www.wdb.co.uk, along with a detailed statement of our revised accounting policies. Since that statement, the Group has concluded to recognise all actuarial gains and losses in the statement of recognised income and expense permitted by IAS 19 (amended) for defined benefit pension schemes, in line with industry practice.

Accounting policies used in the preparation of these accounts are consistent with the policies adopted on transition, with the exception of IAS 32 and 39 and IFRS 5, which were all effective and have been applied by the Group from 2 October 2005.

Trading overview

	Turnover		**Underlying operating profit** (see note 2)		**Margin**	
	2006 £m	2005 £m	**2006 £m**	2005 £m	**2006 %**	2005 %
Pathfinder Pubs	**330.7**	317.4	**63.5**	63.3	**19.2**	19.9
The Union Pub Company	**178.8**	153.3	**80.3**	65.1	**44.9**	42.5
WDB Brands	**86.0**	85.4	**18.0**	17.8	**20.9**	20.8
Central	**-**	-	**(9.5)**	(8.6)	**(1.6)**	(1.5)
Group	**595.5**	556.1	**152.3**	137.6	**25.6**	24.7

This has been another good year with all of the key financial measures showing strong growth, including a 7.1% increase in turnover, a 10.7% increase in underlying operating profit, a 13.2% increase in underlying profit before tax, and a 14.0% increase in underlying earnings per share. Total dividends per share for the year have increased by 10.0% to 42.75 pence per share, and the dividend is covered 2.2 times by earnings per share.

Managed to tenanted transfers

We transferred 93 pubs from Pathfinder Pubs to The Union Pub Company during the second half of the year. For the majority of the time during the transition process, whilst we were recruiting lessees and tenants for these pubs, they traded as managed houses and therefore, their trading results have been included within the divisional results of Pathfinder Pubs to aid comparability.

Margins

The underlying operating margin of the Group increased by 0.9% to 25.6%. This increase was achieved despite significant cost pressures, including a £6 million increase in utility costs across the Group. The majority of this increase in utility costs impacted Pathfinder Pubs and was the main reason behind the reduction in the division's margin. Offsetting this was a strong margin performance in The Union Pub Company, benefiting from the synergies of recent acquisitions and the continued move to longer leases. The results also include over £1 million of costs relating to the managed to tenanted transfer process mentioned above.

Cash flow

The net cash inflow from operating activities increased by 91.5% to £190.0 million, reflecting the strong underlying cash flow of the business and a number of one-off cash outflows relating to pensions and the refinancing carried out in the prior year. Free cash flow, after the payment of interest, tax and maintenance capital, increased by 365.7% to £114.1 million.

Acquisition of Celtic Inns

Celtic Inns was acquired on 17 March 2006 for £43.3 million including a cash consideration of £18.3 million and net debt acquired of £25.0 million. The acquisition was funded from existing bank facilities. The Celtic Inns' properties have subsequently been independently valued at £31.0 million. Goodwill arising as a result of the acquisition was £16.0 million (see note 10a).

Capital expenditure

We continue to significantly invest in our business to ensure we maintain a pub estate of the highest quality. Total capital expenditure for the Group was £98.9 million, of which £60.6 million was spent in Pathfinder Pubs and £27.2 million in The Union Pub Company. This included an increased spend to £18.3 million on new site development within Pathfinder Pubs.

Our aim is to maximise the returns from our property portfolio and as a result we generated disposal proceeds of £36.8 million from the sale of 33 pubs, various unlicensed properties and surplus pieces of land.

Treasury, Risk and Internal Controls

Net debt at the year end of £893.7 million (see note 8) was slightly higher than last year (2005: £871.8 million), primarily as a result of the acquisition of Celtic Inns in March 2006. The ratio of net debt to EBITDA (earnings before interest, taxation, depreciation and amortisation) was 4.7 times (2005: 5.0 times), and interest cover was 3.0 times (2005: 2.9 times). The available headroom in our bank facility as at 30 September 2006 was £111 million.

The Group reviews its forecast short and medium term cash flows and excess cash is either placed on short term deposit or invested in deposits which are refundable on demand.

Around 90% of the Group's net debt is fixed through having fixed rate securitised debt and interest rate swaps. The financial risks faced by the Group are managed in accordance with Board approved policies and are subject to regular internal review.

The banking and securitisation covenants are reviewed throughout the year as part of the internal reporting process with a focus on ensuring appropriate headroom is available. Every six months the financial position of the Company in respect of the securitisation covenants is reported externally to financial institutions and made available on the Company's website. Operational compliance with all securitised covenants is managed and regularly reviewed by the treasury, risk and internal audit function.

We have an ongoing programme to identify key operational and financial risks across the Group, and where possible to mitigate the potential impact of those risks. This programme is managed by the treasury, risk and internal audit function.

Share repurchases

We repurchased 1.1 million shares at a total cost of £14.8 million during the year. These shares are being held as treasury shares. In addition, the trustees of the Company's employee benefit trust, Computershare Trustees (C.I.) Limited, also purchased 516,000 ordinary shares in the Company during the year at a total cost of £6.6 million for the purposes of the Company's Long Term Incentive Plan.

Taxation

The underlying rate of taxation (before exceptional items) has decreased from 29.9% in 2005 to 27.8% in 2006, with both years benefiting from a deferred tax credit relating to additional indexation allowance available each year. Tax paid in the year was only £4.0 million, mainly reflecting the substantial corporation tax relief in respect of the cost of the major refinancing carried out at the end of the last financial year.

Pensions

A triennial valuation of our final salary scheme was carried out during the year. This valuation uses the most recent mortality tables which are based on increased life expectancy assumptions and which have increased the scheme's deficit to £53.1 million before tax (2005: £45.6 million), and £37.2 million after tax (2005: £31.9 million), despite positive investment returns. The Company has agreed with the pension trustees of the scheme to make additional contributions of £7.2 million per annum for nine years in order to eliminate the deficit. The first of these annual contributions was made just before the year end in September 2006.

Paul Inglett
Finance Director

GROUP INCOME STATEMENT
for the 52 weeks ended 30 September 2006

	2006			2005		
	Before exceptional items £m	**Exceptional items £m**	**Total £m**	Before exceptional items £m	Exceptional items £m	Total £m
Revenue	**595.5**	**-**	**595.5**	556.1	-	556.1
Operating expenses	**(443.2)**	**-**	**(443.2)**	(418.5)	(2.8)	(421.3)
Operating profit	**152.3**	**-**	**152.3**	137.6	(2.8)	134.8
Finance costs						
- Excluding retirement benefits	**(51.7)**	**-**	**(51.7)**	(45.5)	(32.7)	(78.2)
- Retirement benefits	**(0.4)**	**-**	**(0.4)**	(2.6)	-	(2.6)
	(52.1)	**-**	**(52.1)**	(48.1)	(32.7)	(80.8)
Finance income	**1.3**	**-**	**1.3**	0.2	-	0.2
Net finance costs	**(50.8)**	**-**	**(50.8)**	(47.9)	(32.7)	(80.6)
Profit before taxation	**101.5**	**-**	**101.5**	89.7	(35.5)	54.2
Taxation	**(28.2)**	**-**	**(28.2)**	(26.8)	11.7	(15.1)
Profit for the period attributable to equity shareholders	**73.3**	**-**	**73.3**	62.9	(23.8)	39.1

All results relate to continuing operations

Earnings per share:

	2006	2005
Basic earnings per share	**95.1p**	51.9p
Basic earnings per share before exceptional items	**95.1p**	83.4p
Diluted earnings per share	**94.1p**	51.2p
Diluted earnings per share before exceptional items	**94.1p**	82.4p

GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the 52 weeks ended 30 September 2006

	2006 £m	2005 £m
Profit for the period	**73.3**	39.1
Income/(expense) recognised directly in equity		
Cash flow hedges	**0.3**	-
Pension actuarial losses	**(18.0)**	(3.0)
Unrealised (deficit)/surplus on revaluation of properties	**(3.7)**	5.8
Tax on items taken directly to equity	**10.3**	1.4
Net (losses)/gains not recognised in the income statement	**(11.1)**	4.2
Total recognised income for the period	**62.2**	43.3
Effect of change in accounting policy: implementation of IAS 32 and IAS 39	**(10.6)**	-

GROUP CASH FLOW STATEMENT
for the 52 weeks ended 30 September 2006

	2006	2005
	£m	£m
Operating activities		
Operating profit	**152.3**	134.8
Depreciation and amortisation	**39.1**	38.2
EBITDA*	**191.4**	173.0
Working capital and non-cash movements	**2.6**	(53.9)
Income tax paid	**(4.0)**	(19.9)
Net cash inflow from operating activities	**190.0**	99.2
Investing activities		
Interest received	**1.6**	0.5
Sale of property, plant and equipment	**36.8**	14.8
Investment in plant and equipment for existing business	**(71.0)**	(63.9)
Purchase of new pubs/site developments	**(28.1)**	(34.2)
Movements in non-current assets	**(2.0)**	5.8
Acquisition of subsidiaries, net of cash acquired	**(22.4)**	(140.1)
Repayment of debt of subsidiary upon acquisition	**(13.7)**	-
Movement in available-for-sale investments	**(31.8)**	-
Net cash outflow from investing activities	**(130.6)**	(217.1)
Financing activities		
Equity dividends paid	**(31.0)**	(27.8)
Issue of shares	**2.6**	2.6
Sale of own shares by share trust	**0.9**	0.3
Purchase of treasury shares	**(14.8)**	-
Purchase of own shares for Long Term Incentive Plan	**(6.6)**	-
Interest paid	**(47.5)**	(50.2)
Arrangement costs of new bank facilities	**-**	(1.8)
(Repayment)/advance of securitised debt	**(10.1)**	805.0
Issue costs paid on securitised debt	**(0.7)**	(12.5)
Advance of loans	**43.0**	369.1
Repayment of loans	**(14.2)**	(650.3)
Settlement of debentures	**-**	(287.9)
Repayment of loan notes	**(0.8)**	(0.1)
Capital element of finance leases repaid	**(0.1)**	(0.1)
Net cash (outflow)/inflow from financing activities	**(79.3)**	146.3
Net (decrease)/increase in cash and cash equivalents	**(19.9)**	28.4
Reconciliation of net cash flow to movement in net debt		
(Decrease)/increase in cash and cash equivalents in the period	**(19.9)**	28.4
Increase in available-for-sale investments	**31.8**	-
Cash inflow from increase in debt	**(17.8)**	(278.6)
Change in debt resulting from cash flows	**(5.9)**	(250.2)
Net debt acquired with subsidiaries	**(14.2)**	(65.9)
Non-cash movements	**(1.8)**	4.8
Movement in net debt in the period	**(21.9)**	(311.3)
Net debt at beginning of period	**(871.8)**	(560.5)
Net debt at end of period	**(893.7)**	(871.8)

* EBITDA – Earnings before interest, tax, depreciation and amortisation

GROUP BALANCE SHEET
as at 30 September 2006

	2006 £m	2005 £m
Assets		
Non-current assets		
Intangible assets	**5.5**	3.9
Goodwill	**148.3**	131.0
Property, plant and equipment	**1,584.0**	1,551.0
Deferred tax assets	**48.9**	43.4
Other non-current assets	**23.1**	22.1
	1,809.8	1,751.4
Current assets		
Inventories	**12.8**	13.6
Assets held for sale	**26.2**	-
Trade and other receivables	**50.6**	54.0
Current tax assets	**-**	5.9
Financial assets: available-for-sale investments	**31.8**	-
Cash and cash equivalents	**39.8**	76.1
	161.2	149.6
Liabilities		
Current liabilities		
Borrowings	**(38.6)**	(53.8)
Derivative financial instruments	**(0.5)**	-
Trade and other payables	**(108.1)**	(91.5)
Current tax liabilities	**(11.2)**	-
	(158.4)	(145.3)
Non-current liabilities		
Borrowings	**(926.7)**	(894.1)
Derivative financial instruments	**(14.3)**	(0.9)
Pension commitments	**(53.1)**	(45.6)
Deferred tax liabilities	**(162.6)**	(161.3)
Other non-current liabilities	**(0.7)**	(0.8)
Provisions	**(2.0)**	(2.2)
	(1,159.4)	(1,104.9)
Net assets	**653.2**	650.8
Shareholders' equity		
Equity share capital	**23.0**	22.8
Share premium account	**187.5**	185.1
Merger reserve	**41.5**	41.5
Revaluation reserve	**311.2**	311.2
Capital redemption reserve	**6.0**	6.0
Hedging reserve	**(10.4)**	-
Own shares	**(21.5)**	(1.0)
Retained earnings	**115.9**	83.2
Shareholders' equity	**653.2**	648.8
Minority interest in equity	**-**	2.0
Total equity	**653.2**	650.8

1 Accounting policies

(a) Basis of preparation

The financial information for the period ended 30 September 2006 has been extracted from the audited financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) interpretations adopted by the European Union and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and derivative financial instruments.

Comparative figures have been restated to comply with IFRS. Prior period consolidated financial statements were previously prepared in accordance with UK generally accepted accounting practice (UK GAAP). The Group's IFRS adoption statement, which is available at www.wdb.co.uk, restates the consolidated financial information as at 2 October 2004 (being the date of transition) and for the period ended 1 October 2005.

2 Segmental reporting

The Group has four business segments:

Period ended 30 September 2006	**Pathfinder Pubs**	**The Union Pub Company**	**WDB Brands**	**Central**	**Group**
	£m	£m	£m	£m	£m
Income statement					
Revenue	330.7	178.8	131.2	-	640.7
Less: sales to other segments	-	-	(45.2)	-	(45.2)
	330.7	178.8	86.0	-	595.5
Operating expenses	(267.2)	(98.5)	(68.0)	(9.5)	(443.2)
Operating profit before exceptional items	63.5	80.3	18.0	(9.5)	152.3
Exceptional items	-	-	-	-	-
Operating profit after exceptional items	63.5	80.3	18.0	(9.5)	152.3
Finance costs					(52.1)
Finance income					1.3
Profit before taxation					101.5
Taxation					(28.2)
Profit for the period attributable to equity shareholders					**73.3**
Balance sheet					
Segment assets	707.3	927.2	137.7	78.3	1,850.5
Unallocated assets					
Deferred tax assets					48.9
Financial assets: available-for-sale investments					31.8
Group cash					39.8
Total assets					**1,971.0**
Segment liabilities	(26.7)	(21.9)	(35.2)	(27.0)	(110.8)
Unallocated liabilities					
Group borrowings					(965.3)
Current tax liabilities					(11.2)
Pension commitments					(53.1)
Deferred tax liabilities					(162.6)
Derivative financial instruments					(14.8)
Total liabilities					**(1,317.8)**

Included in the above are revenue of £5.9m, operating expenses of £4.4m and operating profit of £1.5m in relation to Celtic Inns which have not been separately analysed.

2 Segmental reporting (continued)

Period ended 1 October 2005	Pathfinder Pubs £m	The Union Pub Company £m	WDB Brands £m	Central £m	Group £m
Income statement					
Revenue	317.4	153.3	124.9	-	595.6
Less: sales to other segments	-	-	(39.5)	-	(39.5)
	317.4	153.3	85.4	-	556.1
Operating expenses	(254.1)	(88.2)	(67.6)	(8.6)	(418.5)
Operating profit before exceptional items	63.3	65.1	17.8	(8.6)	137.6
Exceptional items	-	(0.6)	(1.3)	(0.9)	(2.8)
Operating profit after exceptional items	63.3	64.5	16.5	(9.5)	134.8
Finance costs					(80.8)
Finance income					0.2
Profit before taxation					54.2
Taxation					(15.1)
Profit for the period attributable to equity shareholders					**39.1**
Balance sheet					
Segment assets	754.1	791.9	125.1	104.5	1,775.6
Unallocated assets					
Deferred tax assets					43.4
Group cash					76.1
Current tax assets					5.9
Total assets					**1,901.0**
Segment liabilities	(26.8)	(21.4)	(13.2)	(33.1)	(94.5)
Unallocated liabilities					
Group borrowings					(947.9)
Pension commitments					(45.6)
Deferred tax liabilities					(161.3)
Derivative financial instruments					(0.9)
Total liabilities					**(1,250.2)**

3 Exceptional items

	2006 £m	2005 £m
Operating items		
Property:		
Profit on disposal of property, plant and equipment	-	4.0
Impairment of property, plant and equipment following revaluation	-	(1.0)
	-	3.0
Other:		
Costs of reorganisation of newly acquired subsidiaries	-	(4.7)
Goodwill impairment following disposals of property, plant and equipment	-	(1.1)
	-	(5.8)
Non-operating items		
Finance costs:		
Write-off of unamortised finance cost following refinancing	-	(4.3)
Premium on redemption of debentures	-	(28.4)
	-	(32.7)
Total exceptional items	-	(35.5)

4 Taxation

Income statement	2006 £m	2005 £m
Current tax		
Current period	**22.9**	3.5
Adjustment in respect of prior periods	**(0.5)**	(1.5)
	22.4	2.0
Deferred tax		
Current period	**6.1**	12.8
Adjustment in respect of prior periods	**(0.3)**	0.3
	5.8	13.1
Taxation charge reported in the income statement	**28.2**	15.1

5 Ordinary dividends on equity shares

	2006 £m	2005 £m
Paid in the period		
Final dividend for 2005 of 25.66p per share (2004: 23.32p)	**19.8**	16.9
Interim dividend for 2006 of 14.52p per share (2005: 13.20p)	**11.2**	10.1
	31.0	27.0

A final dividend for 2006 of 28.23p per share amounting to £21.8m has been proposed for approval at the annual general meeting.

This dividend will be paid on 31 January 2007 to those shareholders on the register at close of business on 29 December 2006.

6 Earnings per ordinary share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period, excluding treasury shares and those held in the Employee Share Ownership Plan and the Long Term Incentive Plan.

Diluted earnings per share is calculated by adjusting the basic earnings per share to assume the notional exercise of the weighted average number of ordinary share options outstanding during the period. The effect of the dilutive options is to increase the weighted average number of shares by 0.8 million (2005: 0.9 million).

Underlying earnings per share figures are presented to exclude the effect of exceptional items.

	2006			2005		
	Earnings £m	**Weighted average number of shares m**	**Per share amount p**	Earnings £m	Weighted average number of shares m	Per share amount p
Basic earnings per share	**73.3**	**77.1**	**95.1**	39.1	75.4	51.9
Diluted earnings per share	**73.3**	**77.9**	**94.1**	39.1	76.3	51.2
Underlying earnings per share figures:						
Basic earnings per share before exceptional items	**73.3**	**77.1**	**95.1**	62.9	75.4	83.4
Diluted earnings per share before exceptional items	**73.3**	**77.9**	**94.1**	62.9	76.3	82.4

7 Working capital and non-cash movements

	2006 £m	2005 £m
Income from non-current assets	**(0.4)**	(0.3)
Difference between defined benefit pension contributions paid and amounts charged	**(10.5)**	(29.6)
Decrease in inventories	**1.0**	1.5
Decrease/(increase) in trade and other receivables	**1.4**	(0.8)
Increase/(decrease) in trade and other payables	**12.4**	(22.8)
Profit on disposal of property, plant and equipment	**(5.1)**	(4.0)
Impairment of property, plant and equipment following revaluation	**-**	1.0
Goodwill impairment following disposals of property, plant and equipment	**-**	1.1
Impairment of properties prior to transfer to assets held for sale	**3.8**	-
Working capital and non-cash movements	**2.6**	(53.9)

8 Analysis of net debt

	2006 £m	Cash flow £m	Non-cash flow £m	Acquisition £m	2005 £m
Cash and cash equivalents					
Cash at bank and in hand	**39.8**	(36.3)	-	-	76.1
Bank overdraft	**(19.2)**	16.4	-	-	(35.6)
	20.6	(19.9)	-	-	40.5
Financial assets					
Available-for-sale investments	**31.8**	31.8	-	-	-
	31.8	31.8	-	-	-
Debt due within one year					
Loan notes	**(9.1)**	0.8	(0.7)	-	(9.2)
Bank loans	**0.2**	14.2	-	(14.2)	0.2
Securitised debt	**(10.4)**	10.1	(11.4)	-	(9.1)
Finance leases	**(0.1)**	0.1	(0.1)	-	(0.1)
	(19.4)	25.2	(12.2)	(14.2)	(18.2)
Debt due after one year					
Bank loans	**(154.3)**	(43.0)	(0.2)	-	(111.1)
Securitised debt	**(772.1)**	-	10.5	-	(782.6)
Finance leases	**(0.2)**	-	0.1	-	(0.3)
Preference shares	**(0.1)**	-	-	-	(0.1)
	(926.7)	(43.0)	10.4	-	(894.1)
	(893.7)	(5.9)	(1.8)	(14.2)	(871.8)

Available-for-sale investments represent the Group's holding in a short-term investment fund from which cash can be withdrawn on demand and without penalty, and therefore has been classified within net debt.

Bank loans due within one year represent unamortised issue costs expected to be charged within 12 months of the balance sheet date.

9 Movements in total equity

	2006 £m	2005 £m
Total equity at beginning of the period	**650.8**	583.6
Effect on equity of adoption of IAS 32 and IAS 39 on 2 October 2005	**(10.6)**	-
Restated total equity at beginning of the period	**640.2**	583.6
Total recognised income and expense for the period	**62.2**	43.3
Dividends paid	**(31.0)**	(27.0)
Proceeds of ordinary share capital issued	**2.6**	3.8
Merger reserve on Burtonwood acquisition	**-**	41.5
Sale of own shares from share trust	**0.9**	0.3
Purchase of treasury shares	**(14.8)**	-
Purchase of own shares for Long Term Incentive Plan	**(6.6)**	-
Share based payments	**1.0**	0.9
Tax in relation to share based payments	**0.7**	2.4
Equity minority interests	**(2.0)**	2.0
Net movement in total equity	**13.0**	67.2
Total equity at end of the period	**653.2**	650.8

10 Acquisitions

(a) Celtic Inns

On 17 March 2006, the Group acquired 100% of Celtic Inns Holdings Limited and its wholly owned subsidiaries. The acquisition has been accounted for under acquisition accounting principles and is therefore included in the consolidated balance sheet as at 30 September 2006.

		Fair value adjustments		Provisional
	Book value	Revaluations	Other	fair value
	£m	£m	£m	£m
Property, plant and equipment	26.6	3.5	-	30.1
Intangible assets - lease premiums	-	0.9	-	0.9
Inventories	0.1	-	-	0.1
Trade and other receivables	1.4	-	-	1.4
Cash and cash equivalents	0.1	-	-	0.1
Bank overdraft	(0.9)	-	-	(0.9)
Trade and other payables	(1.7)	-	-	(1.7)
Borrowings	(23.3)	-	(0.9)	(24.2)
Derivative financial instruments	-	-	(0.1)	(0.1)
Deferred tax	(0.2)	(3.6)	0.4	(3.4)
Net assets acquired	**2.1**	**0.8**	**(0.6)**	**2.3**
Consideration (including acquisition fees)				
Cash				17.6
Loan notes				0.7
Total consideration				**18.3**
Goodwill arising on consolidation				**16.0**

The attributed fair values are provisional.

The revaluation adjustment reflects the valuation of the acquired estate as at 17 March 2006. The valuation was carried out by independent chartered surveyors Christie & Co on an open market value basis. Deferred tax on property revaluations has been recognised on acquisition.

The other fair value adjustments reflect the elimination of prepaid finance costs on borrowings, the market value of the swap instrument at acquisition date, deferred tax in respect of tax losses which are available for offset against future trading profits and deferred tax on the elimination of finance costs.

The net cash outflow in respect of the acquisition of Celtic Inns was:

	£m
Acquisition of equity	
Cash	17.6
Net overdrafts of subsidiary	0.8
	18.4
Acquisition of debt	
Immediate repayment of subsidiary's debt	10.0
Net cash outflow in respect of the acquisition	28.4

The purchase agreement for Celtic Inns required the immediate repayment of certain borrowings, which were included in its balance sheet at the date of acquisition. The debt repayments have therefore been classified as part of the overall consideration for the acquisition of Celtic Inns.

(b) Other

On 6 July 2006, the Group acquired 100% of Bluu Limited.

	£m
Book value of net liabilities acquired	(0.6)
Fair value adjustments	1.3
Goodwill	1.1
Consideration satisfied by cash	1.8

Fair value adjustments were made to the value of the acquired estate of £1.7m and deferred tax of (£0.4m).

The net cash outflow in respect of the acquisition of Bluu was:

	£m
Acquisition of equity	
Cash	1.8
Acquisition of debt	
Immediate repayment of subsidiary's debt	3.7
Net cash outflow in respect of the acquisition	5.5

The purchase agreement for Bluu required the immediate repayment of certain borrowings, which were included in its balance sheet at the date of acquisition. The debt repayments have therefore been classified as part of the overall consideration for the acquisition of Bluu.

10 Acquisitions (continued)

(c) Prior period acquisitions

During the period ended 1 October 2005 the Group acquired Burtonwood, Jennings and English Country Inns. The fair value adjustments stated in the financial statements for the period ended 1 October 2005 are now confirmed with no adjustment.

An additional cash consideration of £2.2m was paid in the period to 30 September 2006 in relation to the acquisition of English Country Inns. This increased the Group's holding in the ordinary share capital of English Country Inns from 85% to 100%, eliminating the minority interest of £2.0m and generating additional goodwill of £0.2m.

11 Events after the balance sheet date

On 1 December 2006 the Group announced its intention to proceed with a four-for-one share split, subject to shareholder approval at an extraordinary general meeting on 8 January 2007. The nominal value of the shares will change from 29.5p to 7.375p.

On 1 December 2006 the Company announced it intends to change its name to Marston's PLC, subject to shareholder approval at an extraordinary general meeting on 8 January 2007.

Notes:

a. The contents of this preliminary announcement, which do not constitute statutory accounts as defined in Section 240 of the Companies Act 1985, have been extracted from the audited statutory accounts of the Group for the 52 weeks ended 30 September 2006 which will be filed with the Registrar of Companies in due course. The statutory accounts for the 52 weeks ended 1 October 2005 have been delivered to the Registrar of Companies. The independent auditors' report on these accounts are unqualified and do not contain any statements under Section 237(2) or (3) of the Companies Act 1985.

b. Subject to approval of the shareholders at the annual general meeting, the proposed dividend of 28.23 pence per share will be paid on 31 January 2007 to shareholders on the register at the close of business on 29 December 2006.

c. The annual report for the year ended 30 September 2006 will be posted to all shareholders in the week commencing 17 December 2006. Copies will be obtainable from Hudson Sandler Limited (020 7796 4133) or from The Company Secretary, The Wolverhampton & Dudley Breweries, PLC, Park Brewery, Bath Road, Wolverhampton, WV1 4NY.