

20 January 2006

THE WOLVERHAMPTON & DUDLEY BREWERIES , PLC
AGM STATEMENT

At the Annual General Meeting to be held at 12 noon today, Ralph Findlay, Chief Executive, will give the following up-date on the Company's progress since the start of the current financial year on 2 October 2005:

"Our performance overall has been in line with our expectations.

Total like-for-like sales for the 15 weeks to 14 January 2006 were 1.0% ahead of last year in The Union Pub Company and 0.3% ahead in Pathfinder Pubs. This performance was satisfactory in the light of more subdued trading conditions compared to last year, and which we described in our Preliminary Results Statement on 2 December 2005.

The Group's operating margin is above last year as a result of firm trading margins, the effective integration of acquisitions and good cost management, which have offset the impact of higher energy prices and the increased minimum wage.

Net debt at 31 December 2005 was £853.9 million compared to £871.7 million at 1 October 2005.

The new licensing legislation introduced on 24 November 2005 provides flexibility to extend opening hours where there is clear demand. In practice, most pubs have responsibly extended opening times by one or two hours on up to three nights per week, which represents a modest trading benefit.

Looking forward, the government's decision to allow a free vote on amendments to the proposed Health Bill may result in a universal smoking ban in pubs from 2007. We have anticipated this possible outcome, and continue to invest in the further development of good quality food offers and making outside trading areas even more attractive. Over 80% of our pubs have such outside trading areas. We are well positioned to minimise the risks of a ban and maximise opportunities to our competitive advantage.

We will continue to use our strong cash flow to enhance shareholder value through a combination of investment, acquisitions, share buy-backs and dividends as appropriate."

ENQUIRIES:

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