



29 September 2003

**THE WOLVERHAMPTON & DUDLEY BREWERIES, PLC
TRADING UPDATE**

In accordance with its usual practice, the Board of The Wolverhampton & Dudley Breweries, PLC reports on trading for the 51 weeks ended 20 September 2003. Preliminary results for the 52 weeks to 27 September are due to be reported on 3 December 2003.

Performance for the year to date is in line with expectations. Our clear focus, targeted investments and good summer weather have all contributed to satisfactory trading in the second half.

In Pathfinder Pubs, our managed pub division, total like-for-like sales during June, July and August were 5.2% ahead of last year. In the 51 weeks ended 20 September 2003, total like-for-like sales were 3.6% ahead of last year and, on an un-invested basis, like-for-like sales for the year to date are now positive.

The Union Pub Company tenanted pub division has similarly traded strongly, with like-for-like sales increasing by 4.1% during June, July and August, and by 2.7% for the 51-week period as a whole.

WDB Brands traded in line with expectations, with return on capital continuing to improve in line with our plans.

This performance was achieved against some strong comparatives last year, which included the benefit of The Queen's Golden Jubilee holiday period and the World Cup.

The Group recently improved the range of lager brands retailed throughout the business, which should generate additional profits of approximately £1 million per year going forwards. In doing so, contractual obligations in respect of Harp Irish Lager have been settled at a cost of £3.2 million, which will be accounted for as an exceptional item in the full year results.

In the year ahead, our industry faces continued pressure from rising employee and regulatory costs, including the increase in the national minimum wage. The one-off cost of implementing licensing reform next year, including helping tenants and lessees to prepare for the changes, is estimated at £1 million. Following a recent actuarial valuation, company contributions to the pension scheme and the related charge to the profit and loss account were increased by £2.5 million per year with effect from 1 September 2003. No further increase in contributions is envisaged, subject to market conditions and any legislative changes.

Chief Executive Ralph Findlay commented: ‘We continue to achieve good results in a very competitive market, reflecting our focus on running high quality, freehold community pubs and our strong, value-based offer to consumers. Although costs will rise further in the current year, we aim to maintain margins through further investment in our pubs and beer brands, and increased efficiencies. In responding to the challenges facing our industry, we derive real advantages from operating three distinct pub and brand businesses. I am confident that our proven strategy, high quality assets and local expertise will enable us to continue delivering value for our shareholders.’

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