



Wetherspoon profits in 31% drop Free 251224

## Description



Wetherspoon profits in 31% drop

## Wetherspoon profits in 31% drop

## **UK pubs group JD Wetherspoon saw its first-half profits fall by 31%, blaming the fall on rising overheads, such as energy and wage bills.**

Pre-tax profits fell in the six months to 23 January to £14.3m (\$27.3m) from £20.7m in 2004.

The pub group said trading at its first two non-smoking pubs was going well and was better than the company average.

The firm is to ban smoking in all its 650 locations by May 2006 amid fears smoky pubs are deterring customers.

If exceptional items – related to a new distribution centre and the cost of selling 16 of its pubs – are not taken into account, Wetherspoon saw profits fall 20% from £27.8m to £22.3m.

Turnover in the sixth months rose 4% to £403.3m but Wetherspoon described the period as “testing”.

### **Rising wages**

The firm said sales at its non-smoking pubs in Exeter and St Albans were higher than the company average.

Wetherspoon, which pioneered non-smoking areas in its bars and lounges before announcing an all-out ban would be brought in, plans to have 65 of its pubs smoke-free from this May.

The firm said its research in California found sales increase after smoking bans are brought in.

Wetherspoon expanded rapidly in the 1990s, but competition from rival pub operators and escalating costs saw it issue three profit warnings during 2004.

“In spite of the recent slow trading conditions, as a result of our strong cash generation, high level of sales per pub and dedicated team, I remain confident of future prospects,” chairman Tim Martin said.

Shares in Wetherspoon were down 2.67% at 264.5 pence at the close on Friday.

Hotel Booking

[Home Page](#) [Banzai Japan](#)

### **Category**

1. All
2. Weatherspoons
3. News
4. News
5. UK

### **Tags**

1. Shares

2. Location
3. King
4. Profits
5. Wage
6. UK
7. Pubs
8. JD Wetherspoon
9. Bars
10. Sale
11. Tim Martin

**Date Created**

04/03/2006

**Author**

admin

default watermark