



**Interim Results  
Presentation to Investors**

**SIR IAN PROSSER**

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**CHAIRMAN**

# BASS PLC

## Highlights

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- **Turnover** + **11.2%**
- **Operating profit \*** + **21.2%**
- **Earnings per share \*** + **13.6%**
- **Dividend per share** + **3.1%**

\* Adjusted for FRS15

# BASS PLC

## Divisional Results First Half 99/00 \*

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### Operating Profit (£m)

<b>Bass Hotels &amp; Resorts</b>	<b>146</b>	<b>Up</b>	<b>20.7%</b>
<b>Bass Leisure Retail</b>	<b>173</b>	<b>Up</b>	<b>31.1%</b>
<b>Bass Brewers</b>	<b>73</b>	<b>Up</b>	<b>2.8%</b>
<b>Britvic Soft Drinks</b>	<b>9</b>	<b>Up</b>	<b>12.5%</b>

\* 28 weeks ended 15 April 2000,  
BHR 6 months ended 31 March 2000; all adjusted for FRS15



**RICHARD NORTH**

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**FINANCE DIRECTOR**

# **BASS PLC**

## **Basis of reporting - FRS15**

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- **Reported figures for H1 2000 include impact of FRS15**
- **Interim accounts:  
prior year figures have not been restated**
- **Comparable 1999 figures given here are clearly indicated**

# BASS HOTELS & RESORTS

## Operating Profit

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<u>US \$m</u>	H1 99/00	H1 98/99 (Adj for FRS15)	Growth
Inter-Continental	90	76	18.4%
Americas	99	82	20.7%
EMEA	30	26	15.4%
Asia Pacific	7	5	40.0%
<b>Sub Total</b>	<b>226</b>	<b>189</b>	<b>19.6%</b>
FelCor	11	11	
Other Income	1	1	
<b>Operating Profit</b>	<b>238</b>	<b>201</b>	<b>18.4%</b>
Average Exchange Rates \$:£	1.63	1.66	

# BASS HOTELS & RESORTS

## Inter-Continental - Results

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<u>US \$m</u>	Half Year to 31 March		
	2000	1999	Growth
Operating Profit	90	76	18.4%
RevPAR (\$)	85.75	81.44	5.3%

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# BASS HOTELS & RESORTS

## Inter-Continental - 2 year record

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US \$m

Year to 31 March

	1998 Pre Acquisition	1999	2000	2000 v 1998
<b>Operating Profit Pre FRS15</b>	144	199	230	+60%

# **BASS HOTELS & RESORTS**

## **Americas (excl. Inter-Continental)**

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- **Profits** - Up **20.7%**
- **Crowne Plaza RevPAR\*** - Up **4.6%**
- **Holiday Inn RevPAR\*** - Up **4.8%**
- **Holiday Inn Express RevPAR\*** - Up **6.5%**

\* North Americas only

# **BASS HOTELS & RESORTS**

## **EMEA (excl. Inter-Continental)**

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- **Profits** - Up 15.4%
- **Crowne Plaza RevPAR** - Up 11.0%
- **Holiday Inn RevPAR** - Up 4.2%
- **Holiday Inn Express RevPAR** - Up 12.2%

# **BASS HOTELS & RESORTS**

## **Asia Pacific (excl. Inter-Continental)**

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- **Operating profit \$7m**
- **RevPAR down 3.6%, but trend improving**
- **Impact of SPHC \$2m**

# BASS HOTELS & RESORTS

## Operating Profit

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<u>US \$m</u>	H1 99/00	H1 98/99 (Adj for FRS15)	Growth
Inter-Continental	90	76	18.4%
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Average Exchange Rates \$:£	1.63	1.66	

# BASS LEISURE RETAIL

## Summary Results

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<u>£m</u>	H1 99/00	H1 98/99 (Adj for FRS15)	Growth
Ongoing BLR business	136	127	7.1%
Development Estate *	37	-	-
Prior year disposals	-	5	-
<b>Total</b>	<b>173</b>	<b>132</b>	<b>31.1%</b>

\* Former ADR pubs



# BASS LEISURE RETAIL

## Results\*

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	<b>Growth on LY Ongoing</b>
	<hr/>
<b>Outlets (ave.)</b>	<b>3.4%</b>
<b>Sales per outlet</b>	<b>1.8%</b>
<b>Drinks sales</b>	<b>3.7%</b>
<b>Food sales</b>	<b>11.5%</b>
<b>Like for like sales** (uninvested)</b>	<b>-1.3%</b>
<b>(invested)</b>	<b>+0.1%</b>
	<hr/> <hr/>

\* Excluding Development Estate and prior year disposals

\*\* Cumulative to 18th March, 2000



# **BASS LEISURE RETAIL**

## **Key Drivers of Results\***

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- **Growth from brands: sales +10%; profits +14%**
- **Food gross margin up 1% point**
- **Improved labour productivity: Staff contribution per hour up 3.0%**
- **Efficiency gains raise operating margin 0.4% points**
- **Operating profit up 7.1%**

\* Excluding Development Estate



# **BASS LEISURE RETAIL Development Estate**

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- **Operating profit £37m**
- **Additional £3m of overheads for necessary support infrastructure, as anticipated**
- **Short term focus**
  - **Introduce BLR management systems and service standards**
  - **Sustain margins and enhance cost controls**

# BRANDED DRINKS

## Bass Brewers Operating Profit

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- Profits up 2.8% to £73m
- Marked improvement in Czech Republic
- Exited Chinese brewing

# BRANDED DRINKS

## Bass Brewers Results

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### UK Volume Growth

	Bass Brewers	Market
	H1	H1
On-Trade	- 3.0%	- 5.0%
Off-Trade	+ 19.6%	+ 11.8%
Total	+ 2.4%	0.0%

# **BRANDED DRINKS**

## **Britvic Soft Drinks Results**

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- **Competitive market**
- **Volumes up 8%**
- **Turnover up 6%**
- **Cost savings have improved margins**
- **Profits up 12.5% to £9 million**

# BASS PLC

## 28 weeks ended 15 April 2000

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<u>£m</u>	H1 99/00	H1 98/99 (Adj for FRS15)	Growth
Operating profit	406	335	21.2%
Minor exceptionals	2	(4)	-
PBIT	408	331	23.3%
Interest	(84)	(72)	16.7%
Profit before tax and major exceptionals	324	259	+ 25.1%
Earnings per share	26.8p	23.6p	13.6%

# BASS PLC

## Net Cash Flow 99/00

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<u>£m</u>	<u>H1 99/00</u>	<u>H1 98/99</u>
Operating profit	406	352
Depreciation	159	127
Working capital/Other	(26)	(95)
Trade loans	10	20
Capital expenditure (net)	(302)	(253)
Operating cash flow	247	151
Interest	(50)	(65)
Taxation	(77)	(64)
Dividends	(198)	(167)
Normal cash flow	(78)	(145)
Major acquisitions/disposals	(337)	-
Net Cash Flow	(415)	(145)

# BASS PLC

## Balance Sheet

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<u>£m</u>	<u>Apr 00</u>	<u>Sep 99</u>	<u>Apr 99</u>
Net debt	2,441	1,995	2,135
Shareholder equity	4,130	3,313	2,659
Market-cap gearing*	37%	32%	30%
Interest cover (adjusted)**	4.9x	5.6x	4.6x

\* Based on share prices of 750p, 700p and 900p respectively

\*\* Restated for FRS15



**SIR IAN PROSSER**

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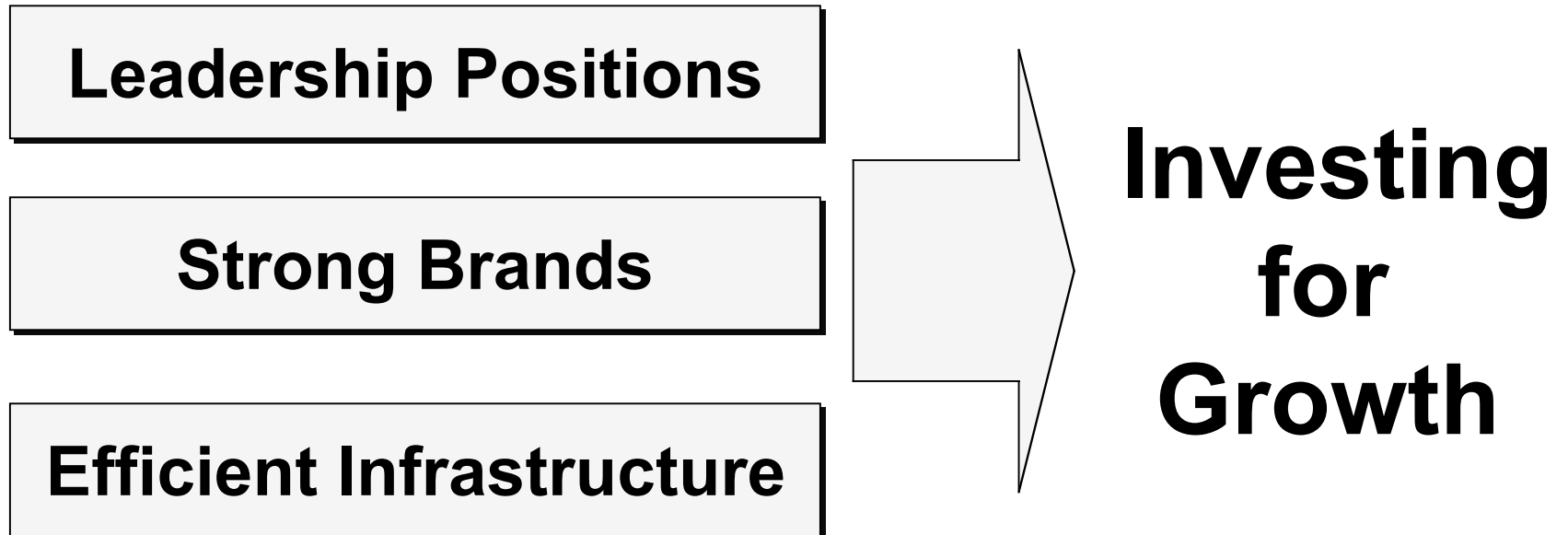
**CHAIRMAN**



# BASS PLC

## Clear, Consistent Strategy

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# BASS HOTELS & RESORTS

## Positioned for Growth

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- Brand Strength
- Infrastructure

- Distribution
- RevPAR Premiums
- Reservation System
- Loyalty Programmes
- IT Systems

- Better customer relationships
- Higher returns to owners

# **BASS HOTELS & RESORTS**

## **Distribution growth**

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- **A key driver of revenue and profit growth**
- **Added 166 hotels, 24,000 rooms in H1 2000**
- **Development focus**
  - **Midscale: Depth in key national markets**
  - **Upscale: Major cities, globally**
- **SPHC acquisition makes BHR leading operator in Asia Pacific**

# **BASS HOTELS & RESORTS**

## **Distribution Growth - Pipeline**

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- **Signed deals, many conditional**
  - **Inter-Continental** **24**
  - **Crowne Plaza** **37**
  - **Holiday Inn** **133**
  - **Express** **381**
  - **Staybridge Suites** **58**
- **Two to three year pipeline**
- **Complemented by future signings and acquisitions**

# BASS HOTELS & RESORTS

## RevPAR Growth

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- Strong RevPAR growth across the system
- Holiday Inn, U.S., RevPAR \$46.77; 22.0% higher than its competitive segment
- BHR brands outperform competitive set in U.S.:

	<u>RevPAR Growth</u>	
	<u>Brand</u>	<u>Competitive Set</u>
Inter-Continental*	+ 2.3%	+ 4.9%
Crowne Plaza	+ 8.0%	+ 0.7%
Holiday Inn	+ 4.4%	+ 2.1%
Express	+ 6.3%	+ 1.7%

\* RevPAR growth reduced by hotels in refurbishment



# BASS HOTELS & RESORTS

## ICH Modernisation Programme

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Underway	Approved	Advanced Planning
<b>San Francisco</b> <b>Miami</b> <b>Budapest</b> <b>Vienna</b>	<b>Madrid</b> <b>Chicago</b> <b>New York</b>	<b>Mayfair</b> <b>Paris</b> <b>Cannes</b>

- **25% rate uplift on completed rooms in San Francisco**
- **\$32m spent, \$(3)m impact on earnings this first half**

# **BASS HOTELS & RESORTS**

## **e-commerce**

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- **On line bookings since 1995 - industry first**
- **Now generates revenues of \$32m per quarter on our own websites**
- **Exponential growth**
- **Over 13m page views per month**
- **Highest levels of functionality**
  - Independent ratings from Bizrate.com
- **Excellent b2b products**
  - Meetings organisers
  - Franchisee services

# **BASS HOTELS & RESORTS**

## **Delivering the strategy**

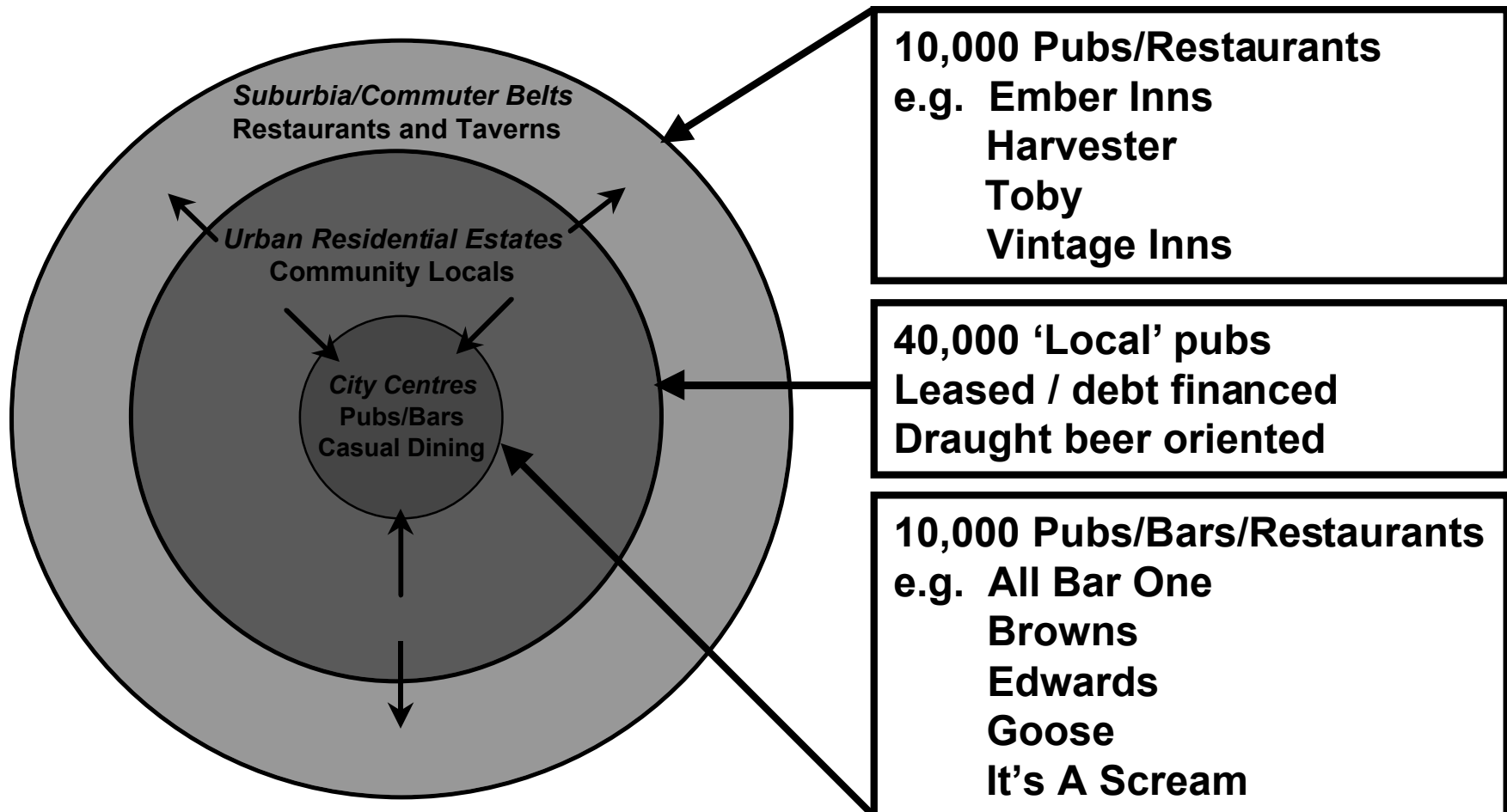
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- **Distribution up 5% net**
- **RevPARs outperforming**
- **Inter-Continental 60% profit growth in 24 months of Bass ownership**
- **Divisional profits up 20.7% in the first half**



# BASS LEISURE RETAIL

## Repositioning to consumer Growth Markets



# BASS LEISURE RETAIL

## Estate Repositioning

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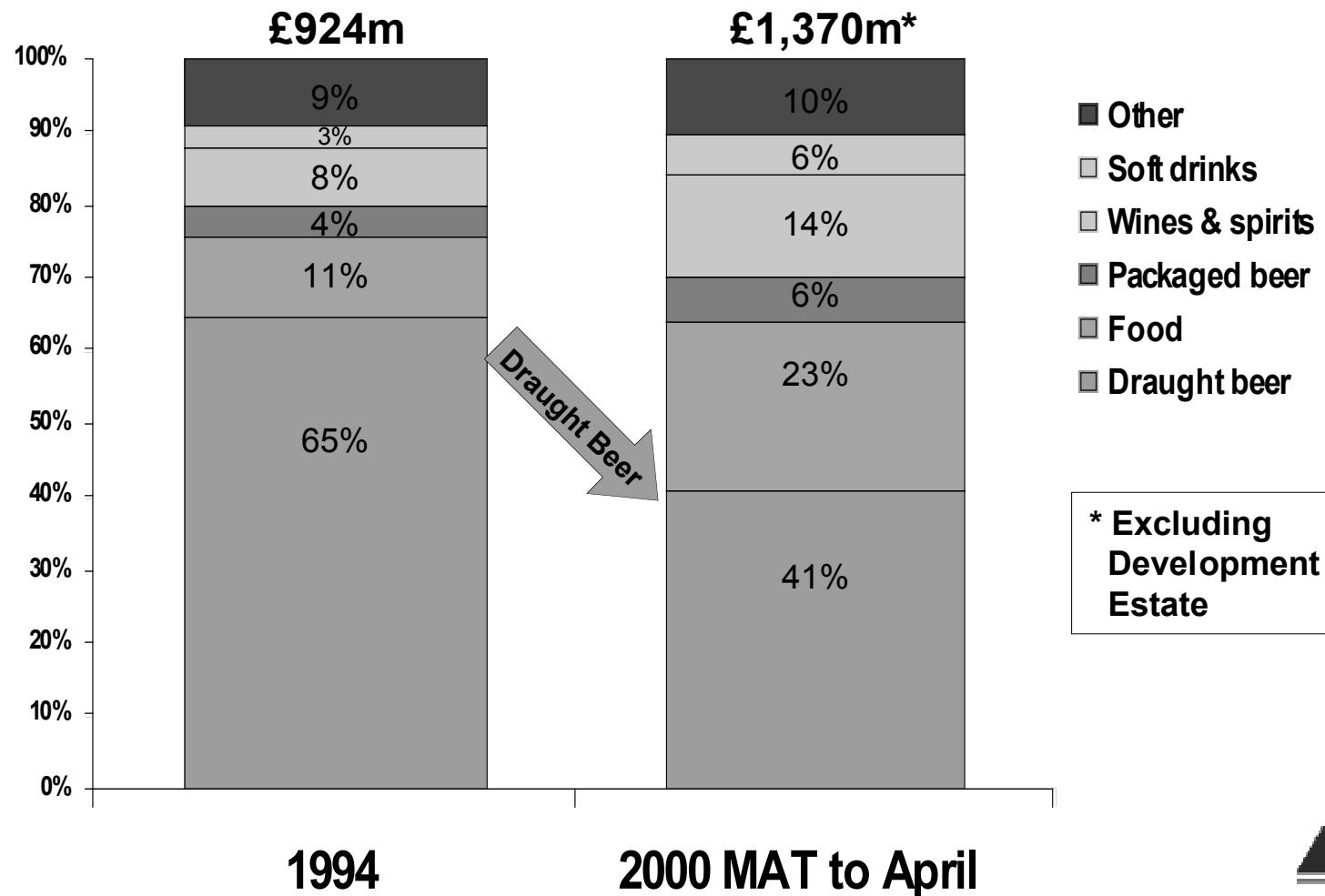
	2000 H1	1999 H1	1998 H1
No. of branded outlets	794*	699	655
Food sales as % of total	22.9%	22.2%	21.5%
% sales from SE	37%	31%	30%
Average weekly take (AWT) per outlet	£10.6k	£10.7k	£9.9k
No. outlets with AWT over £10k	1172	951	890
over £20k	276	201	180

\*excludes Development Estate

# BASS LEISURE RETAIL

## Estate Repositioning

### Changing Product Mix - % of total sales



# BASS LEISURE RETAIL

## Branded Restaurants and Bars

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- **Vintage Inns**  
Like-for-like sales growth + 8.5%
- **Toby Carveries**  
33 new template sites: AWT's of £21k (+ 7k)
- **All Bar One**  
Outstanding growth: profits + 50%
- **Browns**  
Profits ahead 30% - 6 sites in pipeline
- **Goose**  
Like-for-like sales growth + 17%

# BASS LEISURE RETAIL

## Pubs Strategy

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- **Focus on targeted Pubs brand development including:**

### Ember Inns

Premium suburban pub

- 37 open with ROI 18%
- AWT's £14k (+£5k)
- 175 further potential conversion sites

### Arena Pubs

Community Entertainment  
& Sports pub

- 10 now open with ROI 20%
- AWT's 12k (+£4k)
- 125 further potential sites

# **BASS LEISURE RETAIL**

## **Progress on Development Estate**

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- **Regulatory approval received December 1999, allowing start of conversion process**
- **By end May 2000**
  - 110 site schemes with full internal approval
  - 21% return on £56m investment expected
- **Conversion programme accelerates**
  - 35 by September 2000
  - 300 by September 2001
  - 550 by September 2002

# **BASS LEISURE RETAIL**

## **Summary**

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- **Successfully addressing growth segments**
- **Operational efficiency increased margins 0.4%**
- **7% profit growth from ongoing estate**
- **Development Estate expected to deliver 20% returns on £240 million conversion cost**

# BASS BREWERS

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- **Volume up 2.4%**
- **Market share up 0.5% points**
- **All core brands outperforming**



# BASS BREWERS

## Brands Outperformance

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	<b>Brand Growth</b>	<b>Category Growth</b>	<b>Category</b>
<b>Carling</b>	<b>+ 11.0%</b>	<b>+ 4.7%</b>	<b>Std Lager E&amp;W</b>
<b>Tennents</b>	<b>+ 4.4%</b>	<b>+ 2.7%</b>	<b>Std Lager Scot</b>
<b>Grolsch</b>	<b>+ 23.8%</b>	<b>+ 3.2%</b>	<b>Premium Lager</b>
<b>Worthington</b>	<b>+ 6.8%</b>	<b>- 4.8%</b>	<b>Std Ale</b>
<b>Caffrey's</b>	<b>- 12.3%</b>	<b>-16.4%</b>	<b>Premium Ale</b>

# **BASS BREWERS**

## **Strategic Review**

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- **Accelerating pace of European consolidation**
- **Bass Brewers a strong and attractive business**
- **Select option that maximises shareholder value**

# BASS PLC

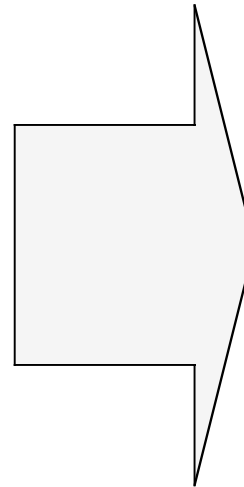
## Clear, Consistent Strategy

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**Leadership Positions**

**Strong Brands**

**Efficient Infrastructure**



**Investing  
for  
Growth**

**▲ Bass**

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# BASS PLC

## Investment

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£m	H1 99/00			H1 98/99		
	Gross	Disposals	Net	Gross	Disposals	Net
Hotels & Resorts	130	(2)	128	62	-	62
Leisure Retail	131	(18)	113	126	(7)	119
Brewing	33	(1)	32	59	(6)	53
Soft Drinks	18	(7)	11	22	(5)	17
Other	20	(2)	18	16	(14)	2
<b>Total</b>	<b>332</b>	<b>(30)</b>	<b>302</b>	<b>285</b>	<b>(32)</b>	<b>253</b>
Trade Loans	22	(32)	(10)	23	(43)	(20)

# BASS HOTELS & RESORTS

## Operating Profit

<u>US \$m</u>	H1 99/00	H1 98/99 (Adj for FRS15)	H1 98/99 (Reported)
Inter-Continental	90	76	83
Americas	99	82	84
EMEA	30	26	30
Asia Pacific	7	5	6
<b>Sub Total</b>	<b>226</b>	<b>189</b>	<b>203</b>
FelCor	11	11	11
Other Income	1	1	1
<b>Operating Profit</b>	<b>238</b>	<b>201</b>	<b>215</b>
<b>Average Exchange Rates \$:£</b>	<b>1.63</b>	<b>1.66</b>	<b>1.66</b>

# BASS LEISURE RETAIL

## Summary Results

<u>£m</u>	H1 99/00	H1 98/99 (Adj for FRS15)	H1 98/99 (Reported)
Ongoing BLR business	136	127	136
ADR pubs acquired	37	-	-
Prior year disposals	-	5	5
<b>Total</b>	<b>173</b>	<b>132</b>	<b>141</b>

# BASS HOTELS & RESORTS

## Occupancy, Rate and RevPAR

	Occupancy %		Rate \$		RevPAR \$		
	H1	H1	H1	H1	H1	H1	Growth
	99/00	98/99	99/00	98/99	99/00	98/99	
Inter-Continental	62.6	60.8	136.89	133.86	85.75	81.44	+5.3%
<b>AMERICAS*</b>							
- Crowne Plaza	66.0	66.3	107.47	102.35	70.99	67.90	+4.6%
- Holiday Inn	60.8	61.0	76.89	73.20	46.74	44.62	+4.8%
- Express	58.8	58.6	65.94	62.14	38.78	36.40	+6.5%
<b>EMEA</b>							
- Crowne Plaza	69.4	69.2	106.12	95.87	73.70	66.37	+11.0%
- Holiday Inn	61.2	62.5	73.02	68.61	44.67	42.85	+4.2%
- Express	60.8	59.6	65.45	59.45	39.77	35.45	+12.2%
<b>Asia Pacific (excl ICH)</b>	65.1	63.7	62.30	66.02	40.55	42.06	-3.6%

\* North Americas only





# BASS HOTELS & RESORTS

## Geographic Distribution - H1 99/00

	Americas	EMEA	Asia Pacific	Total
<b>Hotels @ 30.9.99 (excl ICH)</b>	<b>2,208</b>	<b>363</b>	<b>87</b>	<b>2,658</b>
<b>Additions</b>	<b>108</b>	<b>38</b>	<b>66</b>	<b>212</b>
<b>Removals*</b>	<b>(37)</b>	<b>(8)</b>	<b>(1)</b>	<b>(46)</b>
<b>BHR (Excl ICH)</b>	<b>2,279</b>	<b>393</b>	<b>152</b>	<b>2,824</b>
<b>Inter-Continental</b>	<b>37</b>	<b>72</b>	<b>16</b>	<b>125</b>
<b>Forum</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>16</b>
<b>Hotels @ 31.3.00</b>	<b>2,316</b>	<b>481</b>	<b>168</b>	<b>2,965</b>

\*net of reinstatements



# BASS HOTELS & RESORTS

## Geographic Distribution - H1 99/00

	Americas	EMEA	Asia Pacific	Total
Rooms @ 30.9.99 (excl ICH)	327,525	57,665	21,467	406,657
Additions	12,418	6,324	13,850	32,592
Removals*	(5,349)	(1,715)	(901)	(7,965)
BHR (Excl ICH)	334,594	62,274	34,416	431,284
Inter-Continental	12,425	23,183	7,562	43,170
Forum	0	6,019	0	6,019
Rooms @ 31.3.00	347,019	91,476	41,978	480,473

\*net of reinstatements

# BASS HOTELS & RESORTS

## Inter-Continental Distribution

	Inter-Continental	Forum	Total
<b>Hotels @ 30.9.99</b>	<b>121</b>	<b>20</b>	<b>141</b>
<b>Additions</b>	<b>9</b>	<b>0</b>	<b>9</b>
<b>Removals</b>	<b>(5)</b>	<b>(4)*</b>	<b>(9)</b>
<b>Hotels @ 31.3.00</b>	<b>125</b>	<b>16</b>	<b>141</b>
<b>Rooms @ 31.3.00</b>	<b>43,170</b>	<b>6,019</b>	<b>49,189</b>

\* All converted to other BHR brands

# BASS HOTELS & RESORTS

## Americas System Size - Hotels

	Inter Continental	Crowne Plaza	Holiday Inn*	Holiday Inn Express*	Staybridge Suites
Opening balance	35	82	1,198	926	2
Movement	2	5	11	44	11
Closing balance	37	87	1,209	970	13
Royalty Rates	-	-	4.45%	4.91%	-

\* Royalty figures - North Americas Only



# BASS HOTELS & RESORTS

## Americas System Size - Rooms

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	Inter Continental	Crowne Plaza	Holiday Inn	Holiday Inn Express	Staybridge Suites
Opening balance	12,518	25,282	228,893	73,114	236
Movement	(93)	1,227	1,609	3,003	1,230
Closing balance	12,425	26,509	230,502	76,117	1,466

# BASS HOTELS & RESORTS

## System Size

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Room Numbers	Americas	EMEA	Asia Pacific	Total
Owned/Leased	9,846	14,591	2,812	27,249
Mgmt Contract	7,118	24,955	29,306	61,379
Franchised	330,055	51,930	9,860	391,845
<b>Total</b>	<b>347,019</b>	<b>91,476</b>	<b>41,978</b>	<b>480,473</b>

# **BASS LEISURE RETAIL**

## **Managed Outlet Numbers - H1 99/00**

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<b>Outlet Numbers</b>	<b>Managed</b>
<b>Outlets @ 30.9.99</b>	<b>2,496</b>
<b>Outlets sold</b>	<b>(38)</b>
<b>Outlets acquired/built</b>	<b>18</b>
<b>Development Estate</b>	<b>550</b>
<b>Total @ 31.3.00</b>	<b>3,026</b>
<b>No. branded conversions</b>	<b>23</b>

# BASS LEISURE RETAIL

## Branded Outlets

Food & Restaurants	Sep 99	Mar 00	Increase
Harvester	130	130	-
Toby	110	110	-
Vintage Inns	132	139	+7
Innkeeper's Fayre	18	18	-
All Bar One	49	52	+3
Browns	10	11	+1
Holiday Inn Express	13	13	-
Alex (Managed)	12	13	+1
<b>Total Food &amp; Restaurants</b>	<b>474</b>	<b>486</b>	<b>+12</b>



# BASS LEISURE RETAIL

## Branded Outlets (continued)

<b>Bars &amp; Venues</b>	<b>Sep 99</b>	<b>Mar 00</b>	<b>Increase</b>
<b>O'Neills</b>	<b>107</b>	<b>108</b>	<b>+1</b>
<b>Edwards</b>	<b>32</b>	<b>33</b>	<b>+1</b>
<b>It's A Scream</b>	<b>66</b>	<b>70</b>	<b>+4</b>
<b>Bar Coast</b>	<b>15</b>	<b>15</b>	<b>-</b>
<b>Goose</b>	<b>15</b>	<b>16</b>	<b>+1</b>
<b>Hollywood Bowl</b>	<b>19</b>	<b>21</b>	<b>+2</b>
<b>Total Bars &amp; Venues</b>	<b>254</b>	<b>263</b>	<b>+9</b>
<b>Arena</b>	<b>-</b>	<b>8</b>	<b>+8</b>
<b>Ember Inns</b>	<b>26</b>	<b>37</b>	<b>+11</b>
<b>Total of branded outlets</b>	<b>754</b>	<b>794</b>	<b>+40</b>

# BASS LEISURE RETAIL

## Total Managed Estate at 31 March 00

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	<u>Outlet Numbers</u>
Restaurants	486
Bars & Venues	263
Arena	8
Ember Inns	37
Total Branded	<u>794</u>
Unbranded	1,682
Development Estate	550
Total	<u>3,026</u>