

MITCHELLS & BUTLERS PLC

Interim results for the 28 weeks to 9 April 2005 as prepared under IFRS

These interim financial statements should be read in conjunction with the Mitchells & Butlers plc press release 'Adoption of International Financial Reporting Standards' released on 7 December 2005 and available on the Company's website, www.mbplc.com/IFRS. In particular, details of the basis of preparation, IFRS 1 first-time adoption choices and description of the IFRS adjustments, which are relevant to these financial statements, are contained in that press release.

The accounting policies under which the financial information presented within this document has been prepared can also be found within the investors section of the Group's website at www.mbplc.com/IFRS.

The financial statements have been reviewed by the Company's auditors in accordance with the guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board.

The financial information contained in this document does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

GROUP INCOME STATEMENT

For the 28 weeks ended 9 April 2005

	Before exceptional items £m	Exceptional items £m	Total £m
Revenue (Note 1)	864	-	864
Net operating costs	(727)	-	(727)
Profit on disposal of fixed assets	-	1	1
Operating profit (Note 1)	137	1	138
Finance income	7	-	7
Finance expense	(61)	-	(61)
Profit before tax	83	1	84
Tax	(27)	(1)	(28)
Profit for the year	56	-	56
Earnings per ordinary share			
Basic	10.8p	-	10.8p
Diluted	10.7p	-	10.7p

GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the 28 weeks ended 9 April 2005

	£m
Cash flow hedges	(7)
Actuarial gain on pension schemes	21
Tax on items taken directly to equity	8
Net income recognised directly in equity	22
Profit for the period	56
Total recognised income and expense for the period	78

GROUP BALANCE SHEETS

	2005 9 April £m	2004 26 Sept £m
ASSETS		
Goodwill and other intangible assets	27	29
Property, plant and equipment	3,436	3,445
Non current prepayments	16	17
Total non current assets	3,479	3,491
Inventories	39	43
Trade and other receivables	81	83
Short-term investments	-	20
Cash and cash equivalents	220	205
Total current assets	340	351
Non current assets held for sale	6	-
Total assets	3,825	3,842
LIABILITIES		
Short-term borrowings	(36)	(35)
Trade and other payables	(238)	(204)
Current tax payable	(58)	(59)
Total current liabilities	(332)	(298)
Borrowings	(1,782)	(1,804)
Derivatives	(44)	(28)
Pension liabilities	(125)	(176)
Deferred tax liabilities	(352)	(354)
Provisions	(2)	(2)
Total non current liabilities	(2,305)	(2,364)
Total liabilities	(2,637)	(2,662)
Net assets	1,188	1,180
EQUITY		
Called up share capital	36	37
Share premium account	14	12
Capital redemption reserve	1	-
Own shares held	(15)	(11)
Hedging reserve	(12)	(7)
Translation reserve	6	6
Retained earnings	1,158	1,143
Total equity	1,188	1,180

GROUP CASH FLOW STATEMENT

For the 28 weeks ended 9 April 2005

	£m
Cash flow from operations (Note 2)	204
Net interest paid	(51)
Tax paid	(22)
Net cash from operating activities	131
Investing activities	
Decrease in short-term deposits and investments	20
Purchases of property, plant and equipment	(88)
Proceeds from sale of property, plant and equipment	42
Net cash used in investing activities	(26)
Financing activities	
Issue of ordinary share capital	2
Purchase of own shares	(52)
Proceeds on release of own shares held	11
Repayment of principal in respect of securitised debt	(17)
Dividends paid	(34)
Net cash used in financing activities	(90)
Net increase in cash and cash equivalents	15
Cash and cash equivalents at the beginning of the period	205
Cash and cash equivalents at the end of the period	220

SELECTED NOTES TO THE FINANCIAL STATEMENTS

1 Segmental analysis

Under IAS 14 "Segmental Reporting" the Group will continue to report its results under the same primary reporting segments as under UK GAAP.

	Revenue £m	Operating profit before exceptional items* £m
Pubs & Bars	500	84
Restaurants	356	52
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Retail	856	136
SCPD	8	1
	<hr/>	<hr/>
	864	137
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* Exceptional items comprise a profit on disposal of fixed assets of £1m.

2 Cash flow from operations

	£m
Operating profit before exceptional items	137
Adjustments for:	
Depreciation of property, plant and equipment	58
Amortisation of intangibles	3
Amortisation of non current prepayments	1
Cost charged in respect of share remuneration	3
Defined benefit pension cost less normal cash contributions	1
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Operating cash flow before exceptional items, movements in working capital and additional pension contributions	203
Movements in working capital:	
Decrease in inventories	4
Increase in trade and other receivables	(2)
Increase in trade and other creditors	29
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Cash flow from operations before exceptional items and additional pension contributions	234
Additional pension contributions	(30)
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Cash flow from operations	204
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3 Analysis of net debt

	9 April 2005 £m	26 Sept 2004 £m
Cash and cash equivalents	220	205
Short-term investments	-	20
Securitised debt	(1,814)	(1,835)
Derivatives hedging balance sheet debt	(27)	(18)
Finance leases	(2)	(2)
Other loans	(2)	(2)
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	(1,625)	(1,632)
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4 Movement in net debt

	£m
Net increase in cash and cash equivalents	15
Add back cash flows in respect of other components of net debt:	
Decrease in short-term deposits and investments	(20)
Repayment of principal in respect of securitised debt	17
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Reduction in net debt arising from cash flows	12
Other non-cash movements	(5)
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Decrease in net debt	7
Opening net debt	(1,632)
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Closing net debt	(1,625)
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5 Change in equity

	£m
Total equity at 26 September 2004	1,180
Profit for the period	56
Net income recognised directly in equity	22
Dividends paid to shareholders	(34)
Issue of ordinary shares	2
Purchase of own shares	(52)
Proceeds on release of own shares held	11
Credit in respect of employee share schemes	3
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Total equity at 9 April 2005	1,188
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Independent review report to Mitchells & Butlers plc on the Interim IFRS financial information for the 28 week period ended 9 April 2005

Introduction

We have reviewed the Interim International Financial Reporting Standards (“IFRS”) financial information of Mitchells & Butlers plc (“the Company”) and its subsidiaries (together “the Group”) for the 28 week period ended 9 April 2005 which comprises the Group balance sheet, Group income statement, Group statement of recognised income and expense and Group cash flow statement.

This report is made solely to the Company in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The Interim IFRS financial information is the responsibility of the Company's directors and has been prepared as part of the Company's conversion to IFRS. It has been prepared in accordance with the basis set out in notes 3, 4 and 5 of the Company's press release 'Adoption of International Reporting Standards', which describe how IFRS has been applied under IFRS 1, including the assumptions management has made about the standards and interpretations expected to be effective, and the policies expected to be adopted, when management prepares its first complete set of IFRS financial statements as at 30 September 2006.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an opinion on the Interim IFRS financial information.

Emphasis of matter

Without modifying our review conclusion, we draw attention to the fact that the accounting policy notes in the Company's press release 'Adoption of International Reporting Standards' explains why there is a possibility that the Interim IFRS financial information may require adjustment before constituting the final IFRS financial statements. Moreover, we draw attention to the fact that, under IFRS only a complete set of financial statements with comparative financial information and explanatory notes can provide a fair presentation of the Group's financial position, results of operations and cash flows in accordance with IFRS.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the interim IFRS financial information as presented for the 28 week period ended 9 April 2005.

Ernst & Young LLP
London
6 December 2005

Mitchells & Butlers plc										Appendix I
Group Income Statement										
For the 28 weeks ended 9 April 2005										
	UK GAAP	Share based payment	Derivatives	Holiday pay	Deferred tax	Reclass	Total IFRS	IFRS		
	£m	IFRS 2	IAS 39	IAS 19	IAS 12		adjs	Income		
	£m	£m	£m		£m	£m	£m	£m	£m	
Revenue	864						0	864		
Net operating costs	(724)	(1)		(2)			(3)	(727)		
Profit on disposal of fixed assets	0					1	1	1		
Operating profit	140	(1)	0	(2)	0	1	(2)	138		
Profit on disposal of fixed assets	1					(1)	(1)	0		
Finance income	6					1	1	7		
Finance expense	(61)					0	0	(61)		
Net finance income in respect of pensions	1					(1)	(1)	0		
Profit before tax	87	(1)	0	(2)	0	0	(3)	84		
Tax	(28)	1			(1)		0	(28)		
Profit for the period	59	0	0	(2)	(1)	0	(3)	56		
Group Statement Of Recognised Income And Expense										
For the 28 weeks ended 9 April 2005										
Cash flow hedges	0		(7)				(7)	(7)		
Actuarial gain on pensions	21						0	21		
Tax on items taken directly to equity	(6)	2	2		10		14	8		
Net income recognised directly in equity	15	2	(5)	0	10	0	7	22		
Profit for the period	59	0	0	(2)	(1)	0	(3)	56		
Total recognised income and expense for the period	74	2	(5)	(2)	9	0	4	78		

Mitchells & Butlers plc															Appendix II
Group Balance Sheet															
9 April 2005															
	UK GAAP	PP&E IAS 16	Assets held for sale IFRS 5	Computer softw are IAS 38	Leases IAS 17	Holiday pay IAS 19	Pensions IAS 19	Derivatives and borrow ings IAS 21/39	Dividend accrual IAS 10	Share based payment IFRS 2	Deferred tax IAS 12	Other reclass	Total IFRS adjs	IFRS Balance Sheet	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
ASSETS															
Goodwill and other intangible assets	10			17									17	27	
Property, plant and equipment	3,503	(24)	(6)	(17)	(20)								(67)	3,436	
Non current prepayments	0				16								16	16	
Total non current assets	3,513	(24)	(6)	0	(4)	0	0	0	0	0	0	0	(34)	3,479	
Inventories	39												0	39	
Trade and other receivables	80				1								1	81	
Short term investments	130											(130)	(130)	0	
Cash and cash equivalents	90											130	130	220	
Total current assets	339	0	0	0	1	0	0	0	0	0	0	0	1	340	
Non current assets held for sale	0		6										6	6	
Total assets	3,852	(24)	0	0	(3)	0	0	0	0	0	0	0	(27)	3,825	
LIABILITIES															
Short term borrow ings	(36)												0	(36)	
Trade and other payables	(246)					(8)			16				8	(238)	
Current tax payable	(58)												0	(58)	
Total current liabilities	(340)	0	0	0	0	(8)	0	0	16	0	0	0	8	(332)	
Borrow ings	(1,809)							27					27	(1,782)	
Derivatives	0							(44)					(44)	(44)	
Pension liabilities	(81)						(3)					(41)	(44)	(125)	
Deferred tax liabilities	(176)	3				2	1	5		5	(233)	41	(176)	(352)	
Provisions	(2)												0	(2)	
Total non current liabilities	(2,068)	3	0	0	0	2	(2)	(12)	0	5	(233)	0	(237)	(2,305)	
Total liabilities	(2,408)	3	0	0	0	(6)	(2)	(12)	16	5	(233)	0	(229)	(2,637)	
NET ASSETS	1,444	(21)	0	0	(3)	(6)	(2)	(12)	16	5	(233)	0	(256)	1,188	
EQUITY															
Called up share capital	36												0	36	
Share premium account	14												0	14	
Capital redemption reserve	1												0	1	
Ow n shares held	(15)												0	(15)	
Hedging reserve	0							(12)					(12)	(12)	
Translation reserve	0											6	6	6	
Revaluation reserve	335				(3)							(332)	(335)	0	
Retained earnings	1,073	(21)				(6)	(2)		16	5	(233)	326	85	1,158	
Total equity	1,444	(21)	0	0	(3)	(6)	(2)	(12)	16	5	(233)	0	(256)	1,188	