

## This document is important and requires your immediate attention

If you are in any doubt as to what action you should take, you should consult your stockbroker, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all your shares in Mitchells & Butlers plc, please pass this document and the accompanying Form of Proxy to the stockbroker or other agent through whom you made the sale or transfer, for transmission to the purchaser or transferee.

A Form of Proxy for the Annual General Meeting is enclosed and should be completed and returned so as to reach the Company's Registrar by no later than 11am on Tuesday, 30 January 2007. Completion and return of the Proxy will not prevent you from attending and voting at the Meeting in person, should you so wish. Alternatively you can register your proxy vote electronically, either by means of a website provided by the Company's Registrar, [www.sharevote.co.uk](http://www.sharevote.co.uk), or by using the service provided by CRESTCo. Further details are given in the notes to this document.



## Mitchells & Butlers plc Notice of Annual General Meeting

to be held at  
The Queen Elizabeth II Conference Centre,  
Broad Sanctuary, Westminster, London SW1P 3EE,  
on Thursday, 1 February 2007, at 11am.

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Mitchells & Butlers plc will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Thursday, 1 February 2007, at 11am, or at any adjournment thereof, for the following purposes:

### Resolutions

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 7 and 10 will be proposed as ordinary resolutions and numbers 8 and 9 as special resolutions.

- 1 To receive the Company's financial statements for the year ended 30 September 2006, together with the reports of the Directors and auditors.
- 2 To approve the Remuneration report for the year ended 30 September 2006.
- 3 To declare a final dividend on the ordinary shares.
- 4 To reappoint (a) Sir Tim Lankester, (b) Karim Naffah and (c) Sara Weller as Directors of the Company.
- 5 To reappoint Ernst & Young LLP as auditors of the Company until the next general meeting at which accounts are to be laid.
- 6 To authorise the Audit Committee of the Board to agree the auditors' remuneration.

### 7 Allotment of shares:

"THAT the Directors be generally and unconditionally authorised pursuant to, and in accordance with, Section 80 of the Companies Act 1985 and within the terms of Article 12 of the Articles of Association of the Company to exercise, during the period ending on the date of the Annual General Meeting in 2008 or 1 May 2008, whichever is the earlier, all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £11,487,458."

### 8 Disapplication of pre-emption rights:

"THAT during the period ending on the date of the Annual General Meeting in 2008 or on 1 May 2008, whichever is the earlier, the Directors be and are hereby empowered (a) to allot equity securities wholly for cash pursuant to any authority for the time being in force under Section 80 of the Companies Act 1985 and within the terms of Article 12 of the Articles of Association of the Company and (b) to allot equity securities (as defined in Section 94(3A) of the Companies Act 1985):

- i in connection with a rights issue (as defined by Article 12.5.1); and
- ii otherwise than in connection with a rights issue, up to an aggregate nominal amount of £1,723,118

as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment and shall be in substitution for all previous disapplications of Section 89 of the Act, which shall cease to have effect without prejudice to any allotment of securities pursuant thereto."

### 9 Authority to purchase own shares:

"THAT, subject to and in accordance with Article 9 of the Company's Articles of Association, the Company is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 8<sup>13</sup>/<sub>24</sub> pence each in the capital of the Company (ordinary shares) on such terms as the Directors think fit, provided that:

- i the maximum aggregate number of ordinary shares hereby authorised to be purchased is 40,346,510;
- ii the minimum price which may be paid for each ordinary share is 8<sup>13</sup>/<sub>24</sub> pence per share;
- iii the maximum price which may be paid for each ordinary share is an amount equal to the higher of: (a) 105 per cent of the average of the middle market quotations for an ordinary share, as derived from The London Stock Exchange Daily Official List, for the five business days before the day on which such share is purchased; and (b) that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003; and
- iv the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or on 1 May 2008, whichever is earlier (except in relation to the purchase of ordinary shares the contract for which was concluded before such date and which is executed wholly or partly after such date), unless such authority is renewed prior to such time."

**10 Political donations:**

“THAT:

- i in accordance with Section 347(c) of the Companies Act 1985, the Company be and is hereby authorised to make donations to EU Political Organisations up to an amount of £50,000 and to incur EU Political Expenditure up to an amount of £50,000; and
- ii in accordance with Section 347(d) of the Companies Act 1985, Mitchells & Butlers Retail Ltd, being a wholly-owned subsidiary of the Company, be and is hereby authorised to make donations to EU Political Organisations up to an amount of £50,000 and to incur EU Political Expenditure up to an amount of £50,000

provided that the aggregate amount of any such donations and expenditure shall not exceed £50,000 during the period beginning on the passing of this resolution and ending on the date of the Annual General Meeting in 2008 or 1 May 2008, whichever is the earlier.”

By order of the Board

**Bronagh Kennedy**  
Company Secretary  
28 November 2006

**Registered Office:**  
27 Fleet Street  
Birmingham B3 1JP

## **Explanation of business**

This Notice of Meeting contains items of business which are of a technical nature and are therefore explained below.

### **Resolution 2 – Remuneration report**

Shareholders are given the opportunity by law to vote on whether or not they approve the Remuneration report and this vote will be in respect of the content of the Remuneration report and not specific to any Director's level or terms of remuneration.

The full Remuneration report is contained in the Annual report and financial statements 2006, copies of which have been sent to those shareholders who elected to receive them and are obtainable from the Registered Office of the Company or from the Company's website – [www.mbplc.com/investors](http://www.mbplc.com/investors). A summary of the Remuneration report is contained in the Annual review and summary financial statement 2006, which has been sent to all shareholders.

### **Resolution 4 – Directors**

The following Directors, whose biographical details are shown on pages 22 to 23 of the Annual review and summary financial statement 2006, are standing for reappointment at the Annual General Meeting on 1 February 2007 in accordance with the Company's Articles of Association. Each reappointment will be proposed as a separate resolution. The Board recommends these reappointments to shareholders for the reasons given below:

#### *Sir Tim Lankester*

Sir Tim Lankester was appointed to the Board in May 2003 as a Non-Executive Director. He is currently a non-executive director of ACTIS Capital and President of Corpus Christi College, Oxford. Previously he held non-executive directorships for CU/CGU and Smith & Nephew. From 1973 to 1995 he was a member of the Civil Service rising to be Deputy Secretary of H.M. Treasury, Permanent Secretary, Overseas Development Administration, Foreign and Commonwealth Office and Permanent Secretary, Department for Education. He served as Private Secretary at 10 Downing Street and represented the UK on the Boards of the World Bank and the IMF. The formal performance evaluation undertaken by the Board during the year confirmed that his contribution and commitment to the Company is highly valued and his performance continues to be effective and satisfactory.

#### *Karim Naffah*

Karim Naffah became Finance Director of the Company on its separation from Six Continents PLC. In 1991 he joined Bass, becoming its Director of Strategic Planning in 1992. In 2000, he became Strategy Director for that group and a member of the Strategic Business Committee and the executive committees of the Hotels and Retail divisions. He also held responsibility for the property development and IT functions. His ability to focus on the most appropriate structure for the financing of the business in effecting the first whole business securitisation for a publicly quoted pub company, and in further implementing the recent refinancing of the business, was instrumental in ensuring that the business is appropriately funded and that shareholders have benefited accordingly. His enthusiasm and commitment to the Company make him a most valued member of the Board.

#### *Sara Weller*

Sara Weller was appointed a Non-Executive Director of the Company in April 2003. She chairs the Remuneration Committee and is the Senior Independent Director. Sara is Managing Director of Argos Ltd having previously been Deputy Managing Director of J Sainsbury plc. The formal performance evaluation undertaken by the Board during the year confirmed that Sara is regarded as a respected and committed member of the Board by her colleagues; she has the necessary human resource skills and experience required to fulfil her role as Chairman of the Remuneration Committee effectively, and her performance overall continues to be effective and satisfactory.

### **Resolution 7 – Allotment of shares**

This resolution authorises the Directors to allot ordinary shares up to an aggregate nominal amount of £11,487,458. This is equivalent to 33 per cent of the issued ordinary share capital (excluding shares held in treasury) of the Company as at 28 November 2006. The authority sought at the Annual General Meeting will expire at the conclusion of the next Annual General Meeting or on 1 May 2008, whichever is the earlier. Although the Directors have no present intention of exercising this authority, it is considered prudent to maintain the flexibility it provides. This resolution complies with Institutional Investment Committee guidelines and will replace the authority given to the Directors at the Annual General Meeting in 2006.

As at 28 November 2006 the Company held 314,588 ordinary shares in treasury, which represents approximately 0.08 per cent of the total ordinary share capital of the Company in issue as at 28 November 2006.

### **Resolution 8 – Disapplication of pre-emption rights**

It is proposed to renew the authority to the Directors to allot equity securities for cash without first being required to offer such securities to existing shareholders. This will include the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash. The authority relates to up to £1,723,118 of nominal capital, being 5 per cent of the issued ordinary share capital of the Company as at 28 November 2006 and the authority will expire at the next Annual General Meeting or on 1 May 2008, whichever is the earlier. This resolution complies with Institutional Investment Committee guidelines.

The Directors do not intend to issue more than 7.5 per cent of the issued ordinary share capital of the Company in any rolling three year period without prior consultation with the Institutional Investment Committee.

**Resolution 9 – Authority to purchase own shares**

The Company is seeking authority to purchase up to 10 per cent of its ordinary shares at, or between, the minimum and maximum prices specified in this resolution. This power would be used only after careful consideration by the Directors, having taken into account market conditions prevailing at that time, the investment needs of the Company, its opportunities for expansion and its overall financial position. The Directors would exercise the authority to purchase ordinary shares only if they considered it to be in the best interest of shareholders and if the purchase could be reasonably expected to result in an increase in earnings per share.

Under the Companies Act 1985, the Company is allowed to hold its own shares in treasury following a buyback, instead of cancelling them as previously required. Such shares may be resold for cash but all rights attaching to them, including voting rights and any right to receive dividends, are suspended whilst they are held in treasury. If the Board exercises the authority conferred by Resolution 9, the Company will have the option of holding repurchased shares in treasury.

At 28 November 2006, options were outstanding to subscribe for 23 million ordinary shares, representing 5.7 per cent of the issued share capital and the proportion of issued share capital that they will represent if the full authority to purchase shares (existing and sought) is used is 6.3 per cent.

The authority sought at the Annual General Meeting will expire at the conclusion of the next Annual General Meeting or on 1 May 2008, whichever is the earlier.

**Resolution 10 – Political donations**

Authority is sought to enable the Company and Mitchells & Butlers Retail Ltd to support organisations which may fall within the legal definition of 'political organisations'. For the purposes of this resolution, 'Donations', 'EU Political Organisations' and 'EU Political Expenditure' have the meanings ascribed to them in Part XA of the Companies Act 1985 (as amended by the Political Parties, Elections and Referendums Act 2000 (the 'Act')).

The Company intends to continue its current practice of not making donations to political parties. However, the Act contains restrictions on companies making donations or incurring expenditure in relation to EU Political Organisations. The Act defines EU Political Organisations very widely and, as a result, it is possible that EU Political Organisations may include, for example, bodies concerned with policy review and law reform, with the representation of the business community or sections of it, or with the representation of other communities or special interest groups, which it is in the shareholders' interest for the Company to support. Expenditure could include the sponsorship of industrial forums and involvement in seminars and functions to which politicians may be invited. Amongst other things, the Act prohibits the Company or its subsidiaries from making donations or incurring expenditure in relation to EU Political Organisations in a 12 month period in excess of an aggregate amount of £5,000, unless such donations have been authorised by the Company's shareholders.

The Company believes that the authority proposed under the resolution to allow it or Mitchells & Butlers Retail Ltd to fund donations to a limit of £50,000 is necessary. Such authority will enable the Company to be sure that it does not, because of uncertainty as to the bodies covered by the definition of EU Political Organisations, unintentionally commit a technical breach of the Act.

The Act requires that this resolution should not purport to authorise particular donations or expenditure. In accordance with the Act, however, the Company will make disclosure in its next Annual Report of any donation made by it or Mitchells & Butlers Retail Ltd to any EU Political Organisation or of any EU Political Expenditure incurred, which is in excess of £200. As stated in the Directors' report, no political donations have been made in the past year.

## Notes

- 1 Only holders of ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the Meeting. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to attend and vote on his/her behalf. A proxy may not speak at the Meeting, except with the permission of the Chairman of the Meeting.
- 2 A Form of Proxy is enclosed. The appointment of a proxy will not prevent a member from subsequently attending and voting at the Meeting in person.
- 3 If you wish, you may register the appointment of a proxy for this meeting electronically, by contacting the website [www.sharevote.co.uk](http://www.sharevote.co.uk) where full details of the procedure are given. The proxy appointment and instructions must be received by Lloyds TSB Registrars not less than 48 hours before the time for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.
- 4 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service should follow the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) not less than 48 hours before the time for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- 5 The Register of Directors' Interests, together with copies of contracts of service and letters of appointment between the Directors and the Company or any of its subsidiaries (or a memorandum of the terms thereof), will be available at the Registered Office of the Company during normal business hours until the conclusion of the Annual General Meeting, and at the place of the Meeting from at least 15 minutes prior to the Meeting until its conclusion.
- 6 The Company specifies that only those shareholders on the Register of Members as at 6pm on 30 January 2007 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their names at the time. Changes to entries on the ordinary register after 6pm on 30 January 2007 shall be disregarded in determining the right of any person to attend or vote at the Meeting.