

16 July 2009

Mitchells & Butlers plc
Third Quarter Interim Management Statement

Highlights

- Robust sales growth: like-for-like sales up 1.7% in the 8 weeks to 11 July
- Same outlet drink sales up 3.2% and food sales up 2.0% in the 8 weeks to 11 July
- Improving net operating margins assisted by slowing input cost inflation
- Continued strong operating cash flows; drawings on unsecured facility reduced to £432m

Current Trading

Mitchells & Butlers announces same outlet like-for-like sales growth of 1.7% in the 8 weeks to 11 July which is in line with our sales trend over the last 18 months. Same outlet like-for-like sales growth in the first 41 weeks of the year was 1.3%, with total Retail sales up 3.1%.

Like-for-like sales	Current Trading 8 weeks to 11 July	Trading to Interims 33 weeks to 16 May	Total 41 weeks to 11 July
Residential	3.1%	2.0%	2.2%
High street	(1.4)%	0.3%	(0.1)%
Total	1.7%	1.2%	1.3%

In the 8 weeks, Mitchells & Butlers continued to take market share with same outlet like-for-like drink and food sales up 3.2% and 2.0% respectively against declining markets. Non food and drinks sales categories remained challenging and adversely impacted total like-for-like sales growth.

In the Residential estate, which accounts for 77% of total sales, same outlet like-for-like sales were up 3.1% in the 8 weeks, with strong performances from our Locals pub formats assisted by the recent good weather. Pub Restaurant formats have also traded well in a challenging market.

Same outlet like-for-like sales in the High Street, accounting for 23% of sales, were down 1.4%. This decline reflects continued pressure on the later evening venues and a weaker performance across the other high street pubs which do not benefit from good weather.

Net operating margins have improved at the start of the second half of the financial year compared with the first half as a result of slowing input cost inflation and continued productivity improvements.

Cash Flow and Financing

The business continues to generate significant operational cash inflows supported by disposals of £60m in the year to date. Drawings on the £550m unsecured medium term facility are now at £432m, already below the next step down in the facility in December 2009 to £475m*. We expect year end net debt to reduce below the level at the half year.

Board Directors

Richard McGuire is today appointed as a non-executive director of the Company, acting as the nominated shareholder representative of Piedmont Inc. (an investment vehicle of Joe Lewis). Piedmont Inc. owns 93,047,373 shares in Mitchells & Butlers, representing 22.89% of the voting rights. Mitchells & Butlers has agreed with Piedmont that it can appoint one non-executive director when their economic interest in the business is above 16% and two non-executive directors when their interest is above 22%.

Richard has significant financial experience gained from a number of senior positions including his current role as President of Tavistock Europe (a company owned by Joe Lewis) and previously as a managing director in investment banking at Citigroup and prior roles at HSBC, Martin Currie and Baillie Gifford. He is also Chairman of a recently delisted company, Bulgarian Property Developments Plc. His skills and expertise will further strengthen the Board of Mitchells & Butlers.

Mitchells & Butlers confirms that there is no further information about Richard requiring disclosure under paragraphs 9.6.13 (2) to (6) of the Listing Rules of the UK Listing Authority.

The process for selecting a permanent chief executive is progressing well.

Outlook

The outlook for consumer spending, and in particular unemployment, remains uncertain. Against this background, Mitchells & Butlers' leading brands and formats, high quality estate and its value for money offers enable the Company to be well positioned to deliver a continuing robust trading performance. As a result the Board still expects profit for the year to be in line with consensus market expectations**.

Notes:

* The unsecured medium term facility has a borrowings profile as follows:

	<u>Start date</u>	<u>Facility limit</u>
FY09	Current	£550m
FY10	December 2009	£475m
FY10	June 2010	£425m
FY11	December 2010	£338m

Note: the facility matures in November 2011

** Reuters consensus forecast for profit before tax, exceptional items, and IAS 39 movements for FY09 is currently stated as £121m.

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There will be a conference call for analysts and investors at 10.00am; please dial +44 (0) 1452 555 566 and quote conf ID 18802239. The replay will be available until 29/07/2009 on +44 (0) 1452 55 00 00, replay access number 18802239#.

Notes for editors:

- Mitchells & Butlers owns and operates around 2,000 high quality pubs in prime locations nationwide. The Group's predominantly freehold, managed estate is biased towards large pubs in residential locations. With around 3% of the pubs in the UK, Mitchells & Butlers has over 10% of industry sales and average weekly sales per pub almost four times greater than that of the average UK pub.
- Mitchells & Butlers' leading portfolio of brands and formats includes Ember Inns, Harvester, Sizzling Pub Co., Toby Carvery, Vintage Inns, Crown Carveries, All Bar One, O'Neill's, Nicholson's and Browns. In addition, Mitchells & Butlers operates a large number of individual city centre and residential pubs.
- Like-for-like sales growth includes the sales performance against the comparable period in the prior year of all managed pubs that were trading in the two periods being compared. For the 41 weeks to 11 July 2009 93% of the estate is included in this measure.