

24 September 2009

Mitchells & Butlers plc Pre Close Trading Update

Current Trading

Mitchells & Butlers announces same outlet like-for-like sales growth of 2.6% in the 10 weeks to 19 September 2009. This represents an improving sales trend. In the 51 weeks, same outlet like-for-like sales growth was 1.6% and total Retail sales were up by 3.4%.

Like-for-like sales	Current Trading 10 weeks to 19 September	Trading to Q3 IMS 41 weeks to 11 July	Total 51 weeks to 19 September
Food	5.8%	2.0%	3.1%
Drink	1.2%	2.4%	1.9%
Total	2.6%	1.3%	1.6%

Note: total like-for-like sales include other non food and drink categories

In the 10 weeks, same outlet like-for-like food and drink sales were up 5.8% and 1.2% respectively with residential pub food sales showing a strengthening trend through the holiday period. Other non food and drinks sales categories, whilst showing some signs of improvement, continue to be under pressure.

Like-for-like sales	Current Trading 10 weeks to 19 September	Trading to Q3 IMS 41 weeks to 11 July	Total 51 weeks to 19 September
Residential	3.8%	2.2%	2.5%
High street	(0.4)%	(0.1)%	(0.1)%

In the Residential estate, which accounts for 77% of total sales, same outlet like-for-like sales were up 3.8% in the 10 weeks. Same outlet like-for-like sales in the High Street, accounting for 23% of sales, were down 0.4% reflecting a slight slowing in the growth rates in London and across our other high street pubs.

The Board expects Retail net operating margins in the second half of the year to be approximately 1.1% points below those achieved over the same period last year. This represents a reduction in the first half decline, which was 3.2% points, as a result of lessening input cost pressures and a stronger sales performance.

As a consequence of the improved sales performance the Board expects earnings for the current year to be slightly above current market consensus estimates*.

Cash Flow and Financing

The business continues to generate strong operational cash inflows supported by disposals of £74m in the year to date. Drawings on the £550m unsecured medium term facility are now below £400m, well within the next required step down in the

facility in December 2009 to £475m. Year end net debt is expected to be slightly below the half year figure of £2.64bn.

Outlook

The outlook for consumer expenditure is uncertain as unemployment continues to rise and is predicted to grow through the first half of next year. In addition, the prospective increase in VAT in January 2010 is likely to impact consumer spending. These factors highlight the difficult economic environment that the industry faces over the next twelve months. However, we believe that the company's combination of strong sites, brands, operational skills and cost management leave the business well positioned in the face of these challenging market conditions.

Mitchells & Butlers will announce Final Results for the year ending 26 September 2009 on 26 November 2009.

Notes:

* Reuters consensus forecast for earnings before exceptional items and IAS 39 movements for FY09 is currently stated as £83m.

For further information, please contact:

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There will be a conference call for analysts and investors at 9.00am; please dial +44 (0) 1452 555 566 and quote conf ID 30885949. The replay will be available until 07/10/09 on +44 (0) 1452 55 00 00, replay access number 30885949#.

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 51 weeks to 19 September 2009 93% of the estate is included in this measure.