

23 September 2010

Mitchells & Butlers plc Pre Close Trading Update

Mitchells & Butlers announces its pre close trading update for the period to 18 September 2010. Like-for-like sales were as follows:

Like-for-like sales	Q3 IMS 42 weeks to 17 July	Current Trading 9 weeks to 18 September	Total 51 weeks to 18 September
Total	1.6%	3.6%	2.0%
Retained estate	2.4%	4.4%	2.8%
Food	3.9%	7.0%	4.5%
Drink	0.4%	1.3%	0.5%

Notes: Total like-for-like sales include other non food and drink categories
Retained estate excludes the major disposals of 333 non core pubs, Lodges and Hollywood Bowl
Food and drink like-for-like sales are in respect of the total estate

Trading – 9 weeks to 18 September 2010

- Company like-for-like sales increased by 3.6%.
- Like-for-like sales for the retained business grew by 4.4%.
- In the retained business, like-for-like food sales rose by 7.1% and drink by 2.2%.

Trading - 51 weeks to 18 September 2010

- Company like-for-like sales growth was 2.0%.
- For the retained estate, like-for-like sales increased by 2.8%.
- Retail sales rose by 0.7% (this excludes £7m of SCPD sales).

Margins

- The Board expects Retail operating margins to be approximately 16.5%, 1.2% points higher than last year.

Disposals and Debt

- In addition to the c.£500m from major disposals, the Company has sold or exchanged contracts on £54m of disposals, mainly from the sale of 44 individual pubs, at an average EBITDA multiple of over 15x.
- Net debt will be approximately £2.3bn at the year end. This excludes proceeds from the sale of 333 non core pubs which are expected in November.
- Drawings on the medium term unsecured facility are currently around £260m, prior to the reduction in respect of proceeds from major disposals.

Capital Expenditure

- Capital expenditure in the current year is expected to be around £131m with approximately £20m spent on expansionary projects, including 54 conversions within the existing estate.
- EBITDA returns on the conversions opened over the last two years continue to be above 25%.
- The single site and small package acquisition pipeline for next year is increasing. Inclusive of the recently announced Ha Ha Bar & Grill acquisition, we have exchanged contracts on 35 sites and have a further 10 sites with heads of terms agreed.
- We are planning to invest approximately £200m of capital next year on single site and small package acquisitions, maintenance and conversions.

Outlook

The business has demonstrated a resilient performance over the past twelve months, growing both sales and margins, during a period that has experienced a subdued consumer environment and the January VAT rise. This resilience highlights the strength of Mitchells & Butlers' brands, the effectiveness of its marketing platform, and its operational capability.

The Company has quickly implemented the first phase of its commitments outlined in the March 2010 strategic review and is now seeking to reinvest the proceeds in line with our stated strategy.

This performance gives the Board confidence about the future prospects for the business.

Commenting on the results, Adam Fowle, Chief Executive said:

"This is a very encouraging performance, particularly given the present consumer economy, and underlines the strength of the Mitchells & Butlers business. I am pleased at the speed of delivery on our strategic plan."

Mitchells & Butlers will announce Final Results for the year ending 25 September 2010 on 23 November 2010.

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 11902610. The replay will be available until 6 October 2010 on +44 (0) 1452 55 00 00, replay access number 11902610#.

Notes for editors:

- Since July 2010, the Company has announced three major disposals for a total of c.£500m in respect of 333 non core pubs; Hollywood Bowl; and the majority of our lodge assets
- Mitchells & Butlers' leading portfolio of brands and formats includes Harvester, Toby Carvery, Vintage Inns, Premium Country Dining Group, Crown Carveries, Sizzling Pub Co., Browns, Miller & Carter, Metro Professionals, All Bar One, Nicholson's and O'Neill's. Further details are available on www.mbplc.com.
- Mitchells & Butlers' continuing business serves around 125 million meals and 450 million drinks each year and is one of the largest operators within the UK's £70 billion eating and drinking out market.
- 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 18 September 2010 95% of the managed estate is included in this measure.