

29 July 2015

Mitchells & Butlers plc
Third Quarter Trading Update

Total sales growth in the third quarter was 5.0%, bringing growth in the first 43 weeks to 8.2%.

Like-for-like sales continued to grow over the third quarter, with strong food sales offsetting a softer drinks performance. As previously reported, operating margins are below last year reflecting the lower margin of Orchid¹ ahead of full integration and sales growth being driven by food volumes.

Like-for-like sales

	32 weeks to 9 May 2015	11 weeks to 25 July 2015	43 weeks to 25 July 2015
Total	1.4%	0.8%	1.3%
Food	2.5%	2.5%	2.5%
Drink	0.3%	(1.0%)	(0.1%)

As a major employer of more than 42,000 people, the recently announced introduction of the national living wage will have an impact on our cost base from its introduction in April 2016. We are assessing a wide range of options to mitigate the impact whilst continuing to focus on retaining and attracting the best people to work in our pubs, bars and restaurants.

So far this financial year we have opened 11 new sites and converted 43 sites, including 32 conversions of Orchid sites to core M&B brands including Toby Carvery, Miller & Carter, Harvester and Ember Inns.

Alistair Darby, Chief Executive, commented:

“This year we have continued to successfully grow our food volumes and our like-for-like sales ahead of a subdued market², in addition to integrating and converting the Orchid business as planned. These initial conversions are trading well and in line with our expectations.”

¹173 sites acquired from the Orchid Group on 15 June 2014

²Source: Subsection of Coffer Peach Business Tracker to include Pubs and Pub Restaurants

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Notes for editors:

- Mitchells & Butlers is a leading operator of managed restaurants and pubs. Its portfolio of brands and formats includes Harvester, Toby Carvery, Country Pubs, Sizzling Pubs, Crown Carveries, Oak Tree Pubs, All Bar One, Browns, Miller & Carter, Castle, Alex, Nicholson's, O'Neill's and Ember Inns. Further details are available at www.mbplc.com and supporting photography can be downloaded at www.mbplc.com/imagelibrary.
- Mitchells & Butlers serves around 135 million meals and 435 million drinks each year and is one of the largest operators within the UK's £78 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 UK managed pubs, bars and restaurants that were trading in the two periods being compared. Like-for-like sales are measured against relevant accounting weeks in the prior year. For the 43 weeks to 25 July 2015, 96% of the UK managed estate (excluding Orchid) is included in this measure.