

22 September 2015

Mitchells & Butlers plc
CEO appointment and Pre-close trading update

CEO Appointment

The Board is pleased to announce today the appointment of Phil Urban as Chief Executive, from 27 September 2015. Phil joined Mitchells & Butlers in January 2015 as Chief Operating Officer, and was previously Managing Director at Grosvenor Casinos, a division of Rank Group and Chairman of the National Casino Forum. Prior to that, he was Managing Director for Whitbread's Pub Restaurant division, and for Scottish and Newcastle Retail's Restaurants and Accommodation Division. Phil has an MBA and is a qualified management accountant (CIMA).

As a consequence, Alistair Darby will step down as Chief Executive on 26 September 2015, and will retire from the Board and leave the Company on that date.

Bob Ivell, non-executive chairman commented, "The non-executive directors have considered the issue of the leadership of M&B very carefully and are delighted to announce Phil's appointment. Phil is a strong leader with industry experience and a proven track record of operational delivery, who we are confident will build on the progress made under Alistair.

The Board recognises the significant contribution made by Alistair as Chief Executive over the past three years, is grateful to him for bringing the business to a stronger position and wishes him well in the future."

Phil Urban said, "I am delighted to become Chief Executive. Having worked in the business since the start of the year I have seen at first hand the exciting potential of the people, brands and estate of M&B and look forward to leading the business to further growth whilst meeting the challenges ahead. "

No matters require to be disclosed under Listing Rule 9.6.13(1) to (6) in relation to Phil Urban.

Pre-close Trading Update

Total sales growth for the first 50 weeks of the year was 7.0%, with like-for-like sales growth of 1.0%.

The UK eating and drinking out market has been subdued in the summer leading to a slight slowdown in the rate of sales growth, exacerbated by the wet weather. Despite this slow market seen in the past weeks, we are continuing our plans to reposition and enhance the business, focusing on offering quality guest experiences at great value, and remain confident in our ability to meet the challenges of high consumer expectations and forthcoming cost pressures.

Like-for-like sales

	43 weeks to 25 July 2015	7 weeks to 12 September 2015	50 weeks to 12 September 2015
Total	1.3%	(0.7%)	1.0%
Food	2.5%	(0.2%)	2.1%
Drink	(0.1%)	(1.4%)	(0.3%)

So far this financial year we have opened 14 new sites and converted 48 sites. This includes 38 conversions of Orchid sites to core M&B brands – notably Toby Carvery, Ember Inns, Miller & Carter and Harvester - returns from which have been strong. This programme will continue into next year with a further 40 conversions and the remainder of the sites being integrated into the Heartland estate.

We expect results for the year to 26 September 2015 to show growth on last year although, on the basis of this recent trading, to be at the bottom end of the range of current market expectations.

For further information, please contact:

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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.
- Phil Urban will be paid a basic annual salary of £510,000 as Chief Executive. Further information about his remuneration package, which will be consistent with M&B's directors' remuneration policy, will be set out in the 2015 Directors' Remuneration Report.
- The disclosure required by section 430(2B) of the Companies Act 2006 relating to the departure of Alistair Darby from Mitchells & Butlers plc ('the Company') is set out below.
 1. Mr Darby will leave the Company on 26 September 2015 (the 'Termination Date'). Mr Darby will also resign as a director of the Company on the Termination Date.
 2. Mr Darby's service contract provides for a 52 week notice period. In accordance with the service contract, the Company will make a payment in lieu of notice of up to £543,500, being up to 52 weeks' basic salary. This will be paid in instalments on the normal payroll dates, but each instalment will be reduced (potentially to nil) in the event that Mr Darby commences another role before 26 September 2016. The reduction will be an amount equal to the basic remuneration earned under the alternative role.
 3. Mr Darby will have worked for the full 2014-2015 financial year, and so will be eligible for any annual bonus payment in respect of the year. However, it is not currently anticipated that the threshold performance targets required for any bonus to be paid will be achieved.
 4. The Company will make a contribution towards Mr Darby's legal fees in connection with these arrangements of up to a maximum of £2,000 plus VAT.
 5. In relation to unvested nil-cost options held by Mr Darby under the Company's 2013 Performance Restricted Share Plan, the Remuneration Committee has exercised its discretion under the good leaver provisions in the rules so that these will be preserved and will vest, subject to the performance conditions being met, as follows:
 - (a) those granted in February 2013 (over 307,210 shares) (and in respect of which the performance period will have been completed) will be preserved and will vest on the normal vesting date in November 2015;

- (b) those granted in November 2013 (over 262,434 shares) will vest over a time pro-rated number of shares on the normal vesting date in November 2016; and
 - (c) those granted in November 2014 (over 292,434 shares) will vest over a time pro-rated number of shares on the normal vesting date in November 2017.
6. The Remuneration Committee has exercised discretion under the good leaver provisions of the 2013 Short Term Deferred Incentive Plan so that his nil-cost options (over 22,218 shares) will be preserved and will vest on the normal vesting date in December 2015.
 7. Mr Darby's options under the Company's all-employee Save As Your Earn Scheme and awards under the Company's Share Incentive Plan will be treated in accordance with the rules of the relevant plan.

The above information will be updated as necessary in future Directors' Remuneration Reports.