

27 July 2016

**Mitchells & Butlers plc**  
**Third Quarter Trading Update**

Sales since the half year have been more encouraging. Poor weather in June and Euro 2016 have had an expected adverse impact but we are pleased to see an improving trend, supported by our accelerated investment strategy. Recently invested sites continue to grow sales in excess of 10% in the year post-investment.

Total sales in the first 43 weeks of the financial year fell by 1.3%.

Like-for-like sales

	28 weeks to 10 April 2016	15 weeks to 23 July 2016	43 weeks to 23 July 2016
Food	(2.0%)	(1.5%)	(1.8%)
Drink	(1.5%)	0.2%	(0.9%)
Total	(1.6%)	(0.7%)	(1.3%)

As previously highlighted, margins in the second half are expected to be lower than last year, due particularly to the introduction of the National Living Wage in April.

So far this financial year we have converted or remodelled 232 sites, and opened 5 new sites. We expect to have increased our investment programme to complete around 250 conversions and remodels in the full year.

Phil Urban, Chief Executive, commented:

“Underlying trading has improved in recent months, particularly when taking into account the negative impact of Euro 2016 and the wet weather seen in June. This reflects the good progress we are making across our three priority areas: to rebalance the business, to instil a commercial culture and to increase the pace of execution and innovation.

Clearly there is some economic uncertainty ahead following the result of the EU referendum last month, with potential implications for consumer demand. We are monitoring developments closely, but remain confident that our previously outlined strategy, based on a strong freehold estate and brand portfolio, remains appropriate to deliver long-term sustainable shareholder value.”

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Notes for editors:

- Mitchells & Butlers is a leading operator of managed restaurants and pubs. Its strong portfolio of brands and formats includes Harvester, Toby Carvery, All Bar One, Miller & Carter, Premium Country Pubs, Sizzling Pubs, Crown Carveries, Vintage Inns, Browns, Castle, Nicholson's, O'Neill's and Ember Inns. In addition, it operates Innkeeper's Lodge hotels in the UK and Alex restaurants and bars in Germany. Further details are available at [www.mbplc.com](http://www.mbplc.com) and supporting photography can be downloaded at [www.mbplc.com/imagelibrary](http://www.mbplc.com/imagelibrary).
- Mitchells & Butlers serves around 140 million meals and 430 million drinks each year and is one of the largest operators within the UK's £80 billion eating and drinking out market.