

22 September 2016

**Mitchells & Butlers plc**  
**Pre-close Trading Update**

Like-for-like sales increased by 1.8% in the most recent 8 weeks, representing a continuation of the improved trend both over time and relative to the total eating-out market<sup>1</sup>, supported by favourable weather in recent weeks. We continue to generate good sales growth from our invested sites, now starting to be underpinned by relative improvement in the performance of sites without recent investment.

Total sales in the first 51 weeks of the financial year fell by 0.8%.

Like-for-like sales

	28 weeks to 10 April 2016	15 weeks to 23 July 2016	8 weeks to 17 September 2016	51 weeks to 17 September 2016
Food	(2.0%)	(1.5%)	0.4%	(1.4%)
Drink	(1.5%)	0.2%	3.7%	(0.1%)
Total	(1.6%)	(0.7%)	1.8%	(0.8%)

Margins for the full year will be below last year, as previously advised, particularly as a result of acceleration of investment in the estate and wage inflation following the introduction of the National Living Wage in the second half.

So far this financial year we have converted or remodelled 244 sites, and opened 7 new sites.

Phil Urban, Chief Executive, commented:

“We are encouraged by our improved trading performance in recent months. Weather in recent weeks has certainly been helpful to sales, but in addition we are starting to benefit from increased investment activity, instilling a commercial culture and a faster pace of execution and innovation in our business.

We enter the new financial year facing an increasing number of cost headwinds, most notably labour. However, based on recent progress we remain committed to our strategy going forward.”

Note: <sup>1</sup> Coffey Peach Business Tracker

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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.