

## FINAL INVESTOR REPORT

### MITCHELLS & BUTLERS RETAIL LIMITED

For the Final Period ended 25 September 2004

**This Final Investor Report covers the results for Mitchells & Butlers Retail Limited from 13 November 2003 to 25 September 2004**

To: HSBC Trustee (C.I.) Limited (as Borrower Security Trustee and Trustee)  
 HSBC Global Investor Services (Ireland) Limited (as Irish Paying Agent)  
 HSBC Bank plc (as Principal Paying Agent)  
 Ambac Assurance UK Limited  
 Standard & Poor's Rating Services  
 Fitch Ratings Limited  
 Moody's Investors Service Limited

Terms defined in Schedule 1 (*Master Definitions Schedule*) of a master framework agreement (the "**Master Framework Agreement**") dated 13 November 2003 and made between, *inter alios*, the Issuer and the Borrower Security Trustee shall bear the same meaning herein.

#### Definitions :

Q1 means the results for the Financial Quarter from 13 November 2003 to 17 January 2004;

Q2 means the results for the Financial Quarter from 18 January to 10 April 2004;

Q3 means the results for the Financial Quarter from 11 April to 3 July 2004;

Q4 means the results for the Financial Quarter from 4 July to 25 September 2004;

Final Period and Relevant Period mean Q3 + Q4; and

Relevant Year means Q1 + Q2 + Q3 + Q4.

#### Principal Debt Movements

Q4 Principal Debt Movements on the Notes	Balance as at 4 July 2004 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 25 September 2004 £m
Aggregate principal amount outstanding at the Financial Quarter Date	1,880.4	8.5		1,871.9
Class A1 Notes	200.0			200.0
Class A2 Notes	536.5	5.8		530.7
Class A3 Notes	\$418.8			\$418.8
Class B1 Notes	343.9	2.7		341.2
Class B2 Notes	350.0			350.0
Class C Notes	200.0			200.0

Q4 Principal Debt Movements on the Term Advance	Balance as at 4 July 2004 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 25 September 2004 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	1,880.4	8.5		1,871.9
A1 Term Advance	200.0			200.0
A2 Term Advance	536.5	5.8		530.7
A3 Term Advance	250.0			250.0
B1 Term Advance	343.9	2.7		341.2
B2 Term Advance	350.0			350.0
C Term Advance	200.0			200.0

### Specific Trading Details

Turnover for the 12 weeks comprising Q4 was £347.8m giving a total during the Relevant Year (since the start of securitisation to 25 September 2004) of £1,311.5m. EBITDA for the quarter was £84.2m giving a cumulative total of £324.0m.

	Q4	Relevant Period (Q3 + Q4)	Relevant Year (Q1 + Q2 + Q3 + Q4)
	£m	£m	£m
Turnover	347.8	701.7	1,311.5
Operating expenses	(290.3)	(571.0)	(1,071.4)
Operating Profit	57.5	130.7	240.1
EBITDA	84.2	177.5	324.0
Free Cash Flow	59.5	123.8	237.0
Debt Service	(34.1)	(68.6)	(126.2)

### Coverages and Covenants

Free Cashflow DSCR was 1.9 times and the EBITDA to Debt Service ratio was 2.6 times for the Relevant Year and 1.8 times and 2.6 times respectively for the Relevant Period. The Debt Service Covenant and Restricted Payment Condition were satisfied.

	Relevant Period (Q3 + Q4)	Relevant Year (Q1 + Q2 + Q3 + Q4)
Free Cash Flow : Debt Service	1.8 times	1.9 times
EBITDA : Debt Service	2.6 times	2.6 times
Debt Service covenant satisfied	Yes	Yes
Restricted Payment Condition satisfied	Yes	Yes

Net Worth as at 25 September 2004 was £1,241m. Restricted Payments of £24.9m were made in Q4 and £54.6m during the Relevant Year. The Restricted Payment Maximum at 25 September 2004 was £22.3m and no calculation of the Further Restricted Payment Maximum was required.

### **Maintenance and Capital Enhancement**

The cumulative Maintenance Expenditure\* in the Relevant Year was £105.8m and the Relevant Period was £56.5m. The Required Maintenance Amount\* for the Relevant Year is £82.3m.

Capital Enhancement Expenditure of £7.5m were made in Q4, £26.7m in the Relevant Year and £13.3m in the Relevant Period.

\* Maintenance includes both capital items and items expensed through the Profit & Loss account.

### **Cash Balances**

Balances on the following accounts at 25 September 2004 were as follows:

	£m
Borrower Transaction Account	-
Disposals Proceeds Account	4.3
Maintenance Reserve Account	-
All other Obligor Accounts	70.0

Amounts available under the Working Capital Facility Agreement and the Liquidity Facility were £60m and £220m respectively. No amounts were drawn under either facility.

### **Estate**

	Number
Outlets at the beginning of Q4	1,933
Acquisitions and substitutions	-
Disposals	(17)
Outlets at the end of Q4	1,916

The aggregate proceeds from disposals was £14.1m

### **Accounting Policies**

Mitchells & Butlers Retail Limited certifies that these financials comply with Mitchells & Butlers plc accounting policies as set out in its preliminary financial statements which comply with Generally Accepted Accounting Principles applied in the United Kingdom

### **Defaults**

Mitchells & Butlers Retail Limited certifies that no Loan Event of Default or Potential Loan Event of Default has occurred.

For further information please contact:

[www.mbplc.com/debtir](http://www.mbplc.com/debtir)

Kate Holligon – Investor Relations

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## QUARTERLY FINANCIAL INFORMATION

### MITCHELLS & BUTLERS RETAIL LIMITED

**This Quarterly Financial Information covers the results for Mitchells & Butlers Retail Limited for the Financial Quarter from 11 April 2004 to 3 July 2004**

To: HSBC Trustee (C.I.) Limited (as Borrower Security Trustee and Trustee)  
 HSBC Global Investor Services (Ireland) Limited (as Irish Paying Agent)  
 HSBC Bank plc (as Principal Paying Agent)  
 Ambac Assurance UK Limited  
 Standard & Poor's Rating Services  
 Fitch Ratings Limited  
 Moody's Investors Service Limited

Terms defined in Schedule 1 (*Master Definitions Schedule*) of a master framework agreement (the "**Master Framework Agreement**") dated 13 November 2003 and made between, *inter alios*, the Issuer and the Borrower Security Trustee shall bear the same meaning herein.

#### Definitions :

- Q1 means the results for the Financial Quarter from 13 November 2003 to 17 January 2004;
- Q2 means the results for the Financial Quarter from 18 January to 10 April 2004;
- Q3 means the results for the Financial Quarter from 11 April to 3 July 2004;
- Relevant Period means Q2 + Q3; and
- Relevant Year means Q1 + Q2 + Q3.

#### Principal Debt Movements

Q3 Principal Debt Movements on the Notes	Balance as at 10 April 2004 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 3 July 2004 £m
Aggregate principal amount outstanding at the Financial Quarter Date	1,888.7	8.3		1,880.4
Class A1 Notes	200.0			200.0
Class A2 Notes	542.2	5.7		536.5
Class A3 Notes	\$418.8			\$418.8
Class B1 Notes	346.5	2.6		343.9
Class B2 Notes	350.0			350.0
Class C Notes	200.0			200.0

Q3 Principal Debt Movements on the Term Advance	Balance as at 10 April 2004 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 3 July 2004 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	1,888.7	8.3		1,880.4
A1 Term Advance	200.0			200.0
A2 Term Advance	542.2	5.7		536.5
A3 Term Advance	250.0			250.0
B1 Term Advance	346.5	2.6		343.9
B2 Term Advance	350.0			350.0
C Term Advance	200.0			200.0

### Specific Trading Details

Turnover for the 12 weeks comprising Q3 was £353.9m giving a total during the Relevant Year (since the start of securitisation to 3 July 2004) of £963.7m. EBITDA for the quarter was £93.3m giving a cumulative total of £239.8m.

	Q3	Relevant Period (Q2 + Q3)	Relevant Year (Q1 + Q2 + Q3)
	£m	£m	£m
Turnover	353.9	691.6	963.7
Operating expenses	(280.7)	(555.2)	(781.1)
Operating Profit	73.2	136.4	182.6
EBITDA	93.3	176.8	239.8
Free Cash Flow	64.3	125.4	177.5
Debt Service	(34.5)	(68.8)	(92.1)

### Coverages and Covenants

Free Cashflow DSCR was 1.9 times and the EBITDA to Debt Service ratio was 2.6 times for the Relevant Year and 1.8 times and 2.6 times respectively for the Relevant Period. The Debt Service Covenant and Restricted Payment Condition were satisfied. The Net Worth covenant is not due to be tested until the end of the Financial Year.

	Relevant Period (Q2 + Q3)	Relevant Year (Q1 + Q2 + Q3)
Free Cash Flow : Debt Service	1.8 times	1.9 times
EBITDA : Debt Service	2.6 times	2.6 times
Debt Service covenant satisfied	Yes	Yes
Restricted Payment Condition satisfied	Yes	Yes

Restricted Payments of £16.9m were made during Q3 and the Restricted Payment Maximum at 3 July 2004 was £24.9m. No calculation of the Further Restricted Payment Maximum was required.

### **Maintenance and Capital Enhancement**

The cumulative Maintenance Expenditure\* in the Relevant Year was £81.0m and the Relevant Period was £60.5m. The Required Maintenance Amount\* for the Financial Year is £82.3m.

Capital Enhancement Expenditure Investments of £5.8m were made in Q3, £19.2m in the Relevant Year and £12.2m in the Relevant Period.

\* Maintenance includes both capital items and items expensed through the Profit & Loss account.

### **Cash Balances**

Balances on the following accounts at 3 July 2004 were as follows:

	£m
Borrower Transaction Account	0.3
Disposals Proceeds Account	4.0
Maintenance Reserve Account	0.0
All other Obligor Accounts	17.8

Amounts available under the Working Capital Facility Agreement and the Liquidity Facility were £60m and £220m respectively. No amounts were drawn under either facility.

### **Estate**

	Number
Outlets at the beginning of Q3	1,939
Acquisitions and substitutions	0
Disposals	(6)
Outlets at the end of Q3	1,933

The aggregate proceeds from disposals was £8.0m

### **Accounting Policies**

Mitchells & Butlers Retail Limited certifies that these financials comply with Mitchells & Butlers plc accounting policies as detailed in its interim financial statements which comply with Generally Accepted Accounting Principles applied in the United Kingdom

### **Defaults**

Mitchells & Butlers Retail Limited certifies that no Loan Event of Default or Potential Loan Event of Default has occurred.

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