

21 September 2017

Mitchells & Butlers plc
Pre-Close Trading Update

Trading statement covering the 51 weeks ended 16 September 2017.

Operating performance

Following a strong sales performance in early summer the market has been more challenging in recent weeks, particularly given poor weather this year up against a sunny period last year which has specifically impacted drink sales. Encouragingly like-for-like sales growth continues to be ahead of the market^a. Total sales have increased by 2.9% in the year-to-date.

Like-for-like trading performance since the last update is set out below.

Like-for-like sales	33 weeks to 13 May 2017	10 weeks to 22 July 2017	8 weeks to 16 September 2017	51 weeks to 16 September 2017
Total	1.9%	2.6%	0.3%	1.8%
Food	1.4%	1.3%	1.5%	1.4%
Drink	2.4%	3.8%	-1.2%	2.1%

As previously advised, margins for the full year will be below last year due to inflationary cost pressures.

Investments

We have opened 13 new sites and completed 236 conversions and remodels in the financial year to date.

Disposals

During the year we have disposed of 79 sites which did not fit into our long-term estate plan, 73 of which were sold as a package which completed in July with the remainder sold individually. The proceeds from disposals total £46m which is marginally above the net book value of the properties.

Phil Urban, Chief Executive, commented:

“Whilst the weather in August and September has adversely affected the market we remain encouraged that our like-for-like sales performance continues to outperform the market^a. This performance reflects the progress we have made towards our strategic priorities. We continue to work hard to mitigate the cost headwinds faced by the industry and expect to deliver a full year performance in line with the Board’s expectations.

We will enter the new financial year with the momentum of solid sales growth, enhanced clarity on pension contributions and a clear strategy which we believe positions the company well to deliver long term shareholder value.”

Note: ^a As measured by the Coffer 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, Stonehouse, 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 and supporting photography can be downloaded at www.mbplc.com/imagelibrary.