

Mitchells & Butlers Plc

Annual General Meeting

27 January 2011

Strategic review progress

Targeted area

Reshape to food-led business	✓
Price sensitive drinks-led pubs withdrawal	✓
Improve operating margins	✓
Improve returns on capex	✓
Address pension funding & reduce net debt	✓
Operations and property disclosure	✓
Address incentive schemes and culture	✓

Excellent progress on strategy

Income statement

52 weeks ended 25 September 2010

	FY09 £m	FY10 £m	
Revenue	1,958	1,980	+1.1%
EBITDA	428	449	+4.9%
Operating profit	300	322	+7.3%
Interest	(166)	(153)	
PBT pre exceptionals	134	169	+26.1%
EPS (pre exceptionals)	23.6p	29.7p	+25.8%

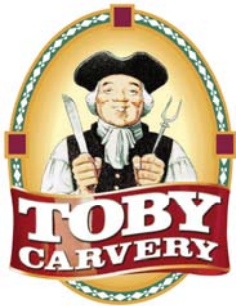
Strong margin growth driving profits increase

Operational delivery

- Guest satisfaction +2% pts
- Food & drink waste reduction of £5m
- NVQs 3,100 complete or in progress
- Management turnover reduced by 4%
- Productivity: contribution per staff hour up 2%

Continuing focus on service, productivity & efficiency

Advertising to grow awareness



- 5 week TV campaign in each brand
- Significant sales and volume uplifts
- Average pay-back within 6 weeks

Broadcast advertising only viable for strong national brands

Returns on expansionary capital

EBITDA returns increasing*:

- FY08: 18%
- FY09: 23%
- FY10: >30%

Drivers have been

- Lower capital intensity
- Trading performance

Improving returns on expansionary capital

* Retained Estate, expansionary investments made over 2 years

Expansionary capital excluding Whitbread acquisitions to enhance comparability

Expansion pipeline

- 54 conversions, 1 new opening in FY10
- 70 conversions, 50 new openings in FY11
- FY11 openings enabled by site redesign

**Retail & leisure locations enable
faster build of pipeline**

Recent trading

	FY10 Total	FY11 17 weeks
Food	4.7%	6.1%
Drinks	1.4%	0.9%
Total	2.8%	3.1%

Continued strong trading

Outlook

- VAT increase Jan 2011
- Fragile consumer outlook: taxation & unemployment
- Eating-out market: continued low growth
- Cost pressures balanced

Confident in future profit growth

Conclusion

- Excellent progress against strategy
- New management team established
- Strong balance sheet: net debt/EBITDA of 5x
- Business performing well in challenging conditions

Well positioned for future growth

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