

**INTERIM INVESTOR REPORT**

**MITCHELLS & BUTLERS RETAIL LIMITED**

**This Interim Investor Report covers the results for Mitchells & Butlers Retail Limited for the  
Semi Annual Period from 26 September 2010 to 9 April 2011**

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 :

Q2	means the results for the Financial Quarter from 16 January 2011 to 9 April 2011 (12 weeks);
Relevant Period	means the last two Financial Quarters (28 weeks) and
Relevant Year	means the last four Financial Quarters (52 weeks).

## Principal Debt Movements

Q2 Principal Debt Movements on the Notes	Balance as at 15 January 2011 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 9 April 2011 £m
Aggregate principal amount outstanding at the Financial Quarter Date	2,272.1	(12.1)		2,260.0
Class A1N Notes	200.0	(1.9)		198.1
Class A2 Notes	363.9	(3.4)		360.5
Class A3N Notes	\$418.75	(\$3.92)		\$414.83
Class A4 Notes	170.0			170.0
Class AB Notes	325.0			325.0
Class B1 Notes	253.2	(4.5)		248.7
Class B2 Notes	350.0			350.0
Class C1 Notes	200.0			200.0
Class C2 Notes	50.0			50.0
Class D1 Notes	110.0			110.0

Q2 Principal Debt Movements on the Term Advance	Balance as at 15 January 2011 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 9 April 2011 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	2,272.1	(12.1)		2,260.0
A1N Term Advance	200.0	(1.9)		198.1
A2 Term Advance	363.9	(3.4)		360.5
A3N Term Advance	250.0	(2.3)		247.7
A4 Term Advance	170.0			170.0
AB Term Advance	325.0			325.0
B1 Term Advance	253.2	(4.5)		248.7
B2 Term Advance	350.0			350.0
C1 Term Advance	200.0			200.0
C2 Term Advance	50.0			50.0
D1 Term Advance	110.0			110.0

## Specific Trading Details

Turnover for the 12 weeks comprising Q2 was £346.3m giving a total of £1,551.5m for the Relevant Year (comprising 52 weeks). EBITDA for the quarter was £78.2m giving a total for the Relevant Year of £356.8m. Further to the disposal of 326 pubs to Stonegate in November, 182 pubs were acquired in the quarter from Mitchells & Butlers Retail (No 2) Ltd.

	<b>Q2</b> <b>(12 weeks)</b>	<b>Relevant Period</b> <b>(28 weeks)</b>	<b>Relevant Year</b> <b>(52 weeks)</b>
	£m	£m	£m
Turnover	346.3	784.2	1,551.5
Operating expenses	(291.1)	(655.2)	(1,287.6)*
Operating Profit	55.2	129.0	263.9*
EBITDA	78.2	176.0	356.8
Free Cash Flow	65.5	140.5	283.6
Debt Service	(42.2)	(95.6)	(178.7)

\* Excludes £224m of exceptional movements in the valuation of the property portfolio.

## Coverages and Covenants

Free Cashflow DSCR was 1.6 times and the EBITDA to Debt Service ratio was 2.0 times for the Relevant Year and 1.5 times and 1.8 times respectively for the Relevant Period. The Debt Service Covenant and Restricted Payment Condition were satisfied. Net Worth (at the last Financial Year end) was £1,441m and the Net Worth Covenant is therefore satisfied.

	<b>Q2</b> <b>(12 weeks)</b>	<b>Relevant Period</b> <b>(28 weeks)</b>	<b>Relevant Year</b> <b>(52 weeks)</b>
Free Cash Flow : Debt Service	1.6 times	1.5 times	1.6 times
EBITDA : Debt Service	1.9 times	1.8 times	2.0 times
Debt Service covenant satisfied		Yes	Yes
Restricted Payment Condition satisfied		Yes	Yes

No Restricted Payments were made during Q2 and the Restricted Payment Maximum at 9 April 2011 was £39.1m. No calculation of the Further Restricted Payment Maximum was required.

## Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure\* at the end of Q2 was £58.0m. The Required Maintenance Amount\* for the Financial Year is £93.1m.

Capital Enhancement Expenditure Investments of £466.1m were made in Q2, £484.9m in the Relevant Year and £475.2m in the Relevant Period. This includes £461.7m for Acquisitions.

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

## Cash Balances

Balances on the following accounts at 9 April 2011 were as follows:

	£m
Borrower Transaction Account	0.0
Disposals Proceeds Account	43.8
Maintenance Reserve Account	0.0
All other Obligor Accounts*	109.7

\*includes £27.9 held in the Issuer Transaction Account as cash collateral following the downgrade of a swap counterparty

The amount available under the Liquidity Facility was £295m, no amount was drawn at any point during the period.

## Estate

	Number
Outlets at the beginning of Q2	1,274
Acquisitions and substitutions	182
Disposals	(10)
Outlets at the end of Q2	1,446

The aggregate proceeds from disposals were £8.0m

## Accounting Policies

Mitchells & Butlers Retail Limited certifies that these financials comply with Mitchells & Butlers Retail Limited accounting policies as detailed in its 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)

Erik Castenskiold – 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 26 September 2010 to 15 January 2011**

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, restated and amended on 15 September 2006 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 26 September 2010 to 15 January 2011 (16 weeks);
Relevant Period	means the last two Financial Quarters (28 weeks) and
Relevant Year	means the last four Financial Quarters (52 weeks).

## Principal Debt Movements

Q1 Principal Debt Movements on the Notes	Balance as at 25 September 2010 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 15 January 2011 £m
Aggregate principal amount outstanding at the Financial Quarter Date	2284.1	(12.0)		2272.1
Class A1N Notes	200.0			200.0
Class A2 Notes	371.4	(7.5)		363.9
Class A3N Notes	\$418.8			\$418.8
Class A4 Notes	170.0			170.0
Class AB Notes	325.0			325.0
Class B1 Notes	257.7	(4.5)		253.2
Class B2 Notes	350.0			350.0
Class C1 Notes	200.0			200.0
Class C2 Notes	50.0			50.0
Class D1 Notes	110.0			110.0

Q1 Principal Debt Movements on the Term Advance	Balance as at 25 September 2010 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 15 January 2011 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	2284.1	(12.0)		2272.1
A1N Term Advance	200.0			200.0
A2 Term Advance	371.4	(7.5)		363.9
A3N Term Advance	250.0			250.0
A4 Term Advance	170.0			170.0
AB Term Advance	325.0			325.0
B1 Term Advance	257.7	(4.5)		253.2
B2 Term Advance	350.0			350.0
C1 Term Advance	200.0			200.0
C2 Term Advance	50.0			50.0
D1 Term Advance	110.0			110.0

## Specific Trading Details

Turnover for the 16 weeks comprising Q1 was £437.9m giving a total of £1,582.0m for the Relevant Year (comprising 52 weeks). EBITDA for the quarter was £97.8m giving a total for the Relevant Year of £363.4m.

	<b>Q1 (16 weeks)</b>	<b>Relevant Period (28 weeks)</b>	<b>Relevant Year (52 weeks)</b>
	£m	£m	£m
Turnover	437.9	817.9	1582.0
Operating expenses	(364.2)	(678.7)	(1312.7) *
Operating Profit	73.7	139.2	269.3 *
EBITDA	97.8	186.5	363.4
Free Cash Flow	75.1	144.7	284.6
Debt Service	(52.0)	(95.7)	(178.8)

\* Excludes £173m of exceptional movements in the valuation of the property portfolio.

## Coverages and Covenants

Free Cashflow DSCR was 1.6 times and the EBITDA to Debt Service ratio was 2.0 times for the Relevant Year and 1.5 times and 1.9 times respectively for the Relevant Period. The Debt Service Covenant and Restricted Payment Condition were satisfied. Net Worth (at the last Financial Year end) was £1,441m and the Net Worth Covenant is therefore satisfied.

	<b>Q1 (16 weeks)</b>	<b>Relevant Period (28 weeks)</b>	<b>Relevant Year (52 weeks)</b>
Free Cash Flow : Debt Service	1.4 times	1.5 times	1.6 times
EBITDA : Debt Service	1.9 times	1.9 times	2.0 times
Debt Service covenant satisfied		Yes	Yes
Restricted Payment Condition satisfied		Yes	Yes

Restricted Payments of £20.3m were made during Q1 and the Restricted Payment Maximum at 15 January 2011 was £16.5m. No calculation of the Further Restricted Payment Maximum was required.

## Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure\* at the end of Q1 was £29.9m. The Required Maintenance Amount\* for the Financial Year is £93.1m.

Capital Enhancement Expenditure Investments of £9.0m were made in Q1, £22.1m in the Relevant Year and £15.4m 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 15 January 2011 were as follows:

	£m
Borrower Transaction Account	0.0
Disposals Proceeds Account	510.5
Maintenance Reserve Account	0.0
All other Obligor Accounts *	78.5

\* includes £36.0m held in the Issuer Transaction Account as cash collateral following the downgrade of a swap counterparty.

The amount available under the Liquidity Facility was £295m, no amount was drawn at any point during the period.

## Estate

	Number
Outlets at the beginning of Q1	1,618
Acquisitions and substitutions	0
Disposals	(344)
Outlets at the end of Q1	1,274

The aggregate proceeds from disposals were £391.2m.

## Accounting Policies

Mitchells & Butlers Retail Limited certifies that these financials comply with Mitchells & Butlers Retail Limited accounting policies as detailed in its 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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