

27 September 2011

Mitchells & Butlers plc Trading Update

Operating performance

Like-for-like sales for Mitchells & Butlers in the first 51 weeks of the year were up by 2.7%. In the 9 week period to 17 September 2011 like-for-like sales growth was 0.5%, broadly in line with the underlying trend announced in July.

Like-for-like sales	July IMS 42 weeks to 16 July	Current Trading 9 weeks to 17 September	Total 51 weeks to 17 September
Total	3.1%	0.5%	2.7%
Food	5.8%	1.1%	4.9%
Drink	1.2%	0.2%	1.0%

Total sales for the Retained Estate* were up by 4.7% in the first 51 weeks. Including the impact from the major disposals made in the last 12 months, total Company sales were down 9.4% against the same period last year.

The Company continues to focus on increasing productivity and cost effectiveness with a number of plans being implemented in the year such as in relation to our menu development, logistics costs and purchasing contracts. However overall, as noted in July, there has been pressure on net operating margins particularly as a result of input cost inflation, increased promotional activity and initial costs from the brand roll-out programme.

Capital expenditure and return on investment

Total expansionary capital expenditure in the year of approximately £75m has resulted in 48 conversions and 53 site acquisitions being delivered. EBITDA returns for expansionary investments in the last two years have improved to slightly over 20% with the new site acquisitions programme continuing well. A strong pipeline of additional locations on retail and leisure parks gives us confidence in our ability to continue to generate value through the expansion of our retail estate.

Outlook

The UK consumer environment continues to be challenging. We expect cost pressures to remain next year especially from energy, duty and food. We continue to drive increases in productivity and cost effectiveness and have identified a number of initiatives to offset inflationary cost headwinds. These initiatives are in areas such as menu improvements; drinks sales initiatives; gross margin management; IT costs; and organisation changes to improve efficiency and effectiveness.

Overall, our focus remains on expanding and strengthening the business, lowering costs, driving sustainable revenue growth and improving customer experience as we better utilise our high quality sites and brands. We continue to make good progress towards achieving the objectives laid out in our March 2010 Strategic Plans and are confident in the future prospects of the business.

Commenting on the results, Jeremy Blood, Interim Chief Executive said:

“Mitchells & Butlers is reporting robust results including our 34th consecutive quarter of like-for-like sales growth. This is a testament to the strength of the Company’s sites, brands and employees. I would like to thank the 38,000 people in our businesses for their dedication, drive and continuing focus on delivering great customer experiences.”

Piedmont possible offer

As outlined in the statement on 12 September 2011, the Board of Mitchells & Butlers noted the announcement by Piedmont Inc. regarding a possible offer of 230 pence per share. The independent Directors today reiterate the statement made on 12 September 2011 that they unanimously believe that the terms of the possible offer significantly undervalue the Company and accordingly would not recommend an offer, if made, on such terms.

* Note: the Retained Estate comprises the ongoing business and is stated before exceptional items and other adjustments. It excludes the major disposals of 333 non-core pubs, lodges and Hollywood Bowl, and in addition SCPD.

There will be a conference call for analysts and investors at 9.30am; please dial +44 (0) 1452 555 566 and quote conf ID 13481307. The replay will be available until 10 October 2011 on +44 (0) 1452 55 00 00, replay access number 13481307#.

For further information, please contact:

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Notes for editors:

- Mitchells & Butlers is the leading operator of restaurants and pubs in the UK. Its leading portfolio of brands includes Harvester, Toby Carvery, Vintage Inns, Premium Country Dining Group, Crown Carveries, Sizzling Pubs, Browns, Miller & Carter, Metro Professionals, All Bar One, Nicholson's, O'Neill's and Ember Inns. Further details are available at www.mbplc.com
- Mitchells & Butlers' continuing business serves around 120 million meals and 415 million drinks each year and is one of the largest operators within the UK's £70 billion eating and drinking out market.
- Like-for-like sales growth includes the sales performance against the comparable period in the prior year of all UK managed pubs that were trading in the two periods being compared. For the 51 weeks to 17 September 2011, 94% of the UK managed estate is included in this measure.

Independent Directors statement

The Independent Directors, Bob Ivell (Interim Chairman), Jeremy Blood (Interim CEO) and Tim Jones (Finance Director), accept responsibility for the information contained in this announcement, save that the sole responsibility accepted by the Independent Directors in respect of the information relating to Piedmont Inc. has been to ensure that it has been correctly compiled from published sources and is fairly reproduced and presented. Subject as aforesaid, to the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is

the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of that information.

Each of Ron Robson and Douglas McMahon were appointed to the Board by Piedmont Inc. and accordingly are not independent for the purposes of the possible offer from Piedmont Inc..