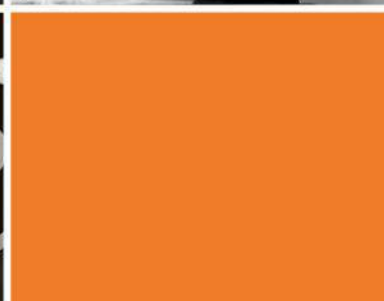
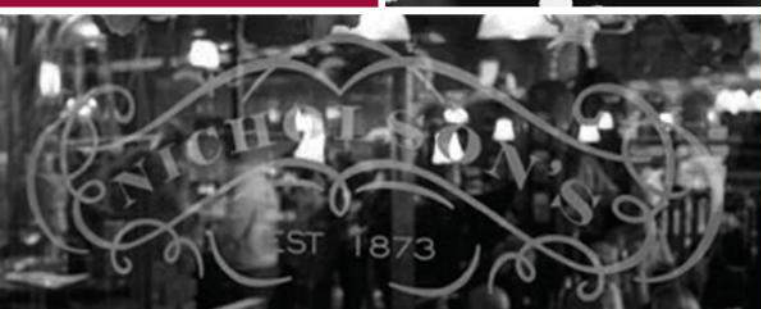




Mitchells
& Butlers

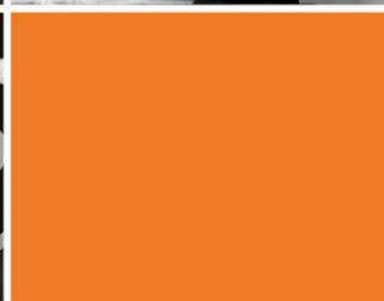


Half Year Results — 2015 —





Mitchells
& Butlers



Financial Review — H1 2015 —

Tim Jones
Finance Director



Income statement

(Pre exceptional items)

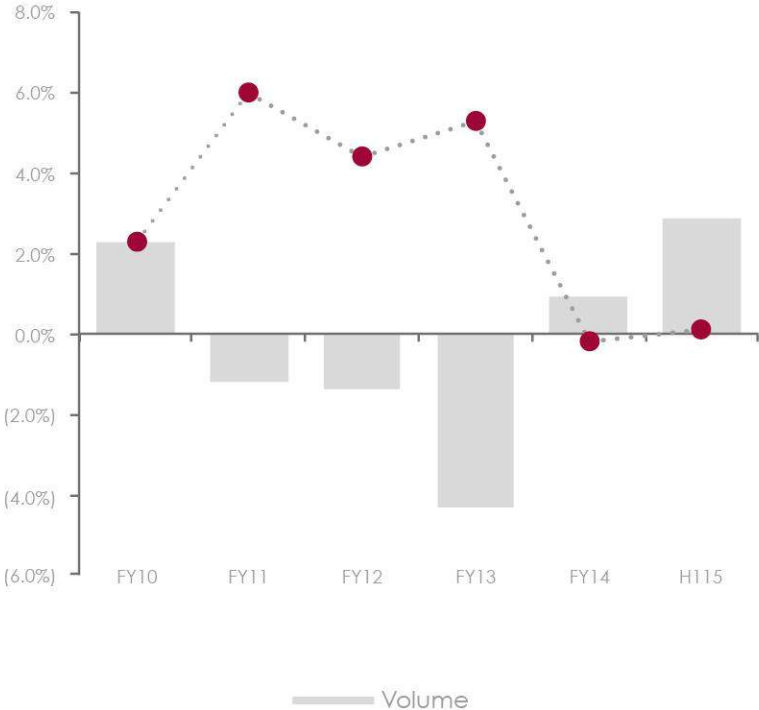
	H1 2015 £m	H1 2014 £m	
Revenue	1,113	1,016	+ 9.5%
Operating costs	(960)	(869)	
Operating profit	153	147	+ 4.1 %
Interest	(78)	(75)	
Profit before tax	75	72	+ 4.2%
Earnings per share	14.4p	13.6p	+ 5.9%
Operating margin	13.7%	14.5%	-0.8 ppts

Like-for-like sales growth

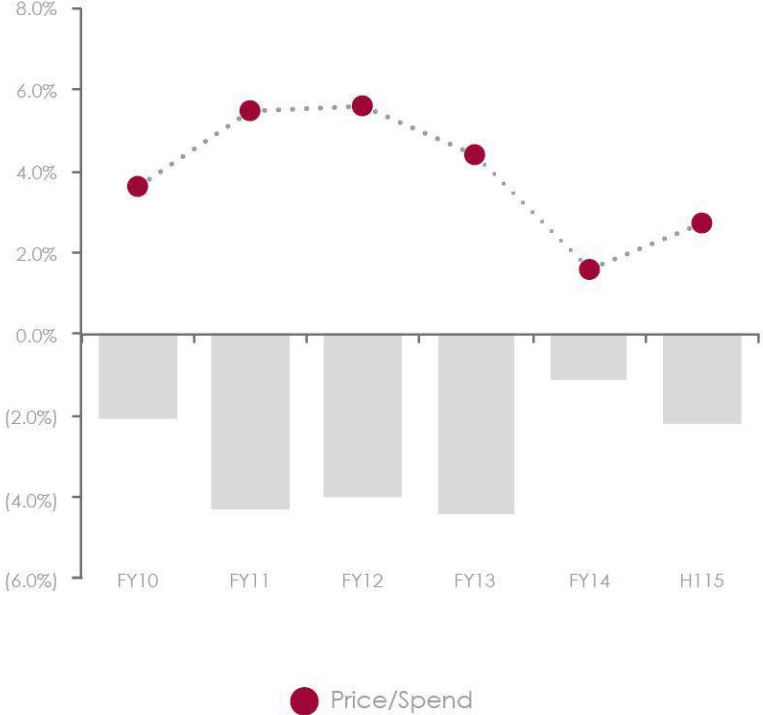
	Week 1-17	Week 18-28	Week 1-28	Week 1-32
Food	2.8%	3.2%	2.9%	2.5%
Drink	0.4%	0.5%	0.4%	0.3%
Total	1.7%	1.8%	1.7%	1.4%

Like-for-like volume and spend trends

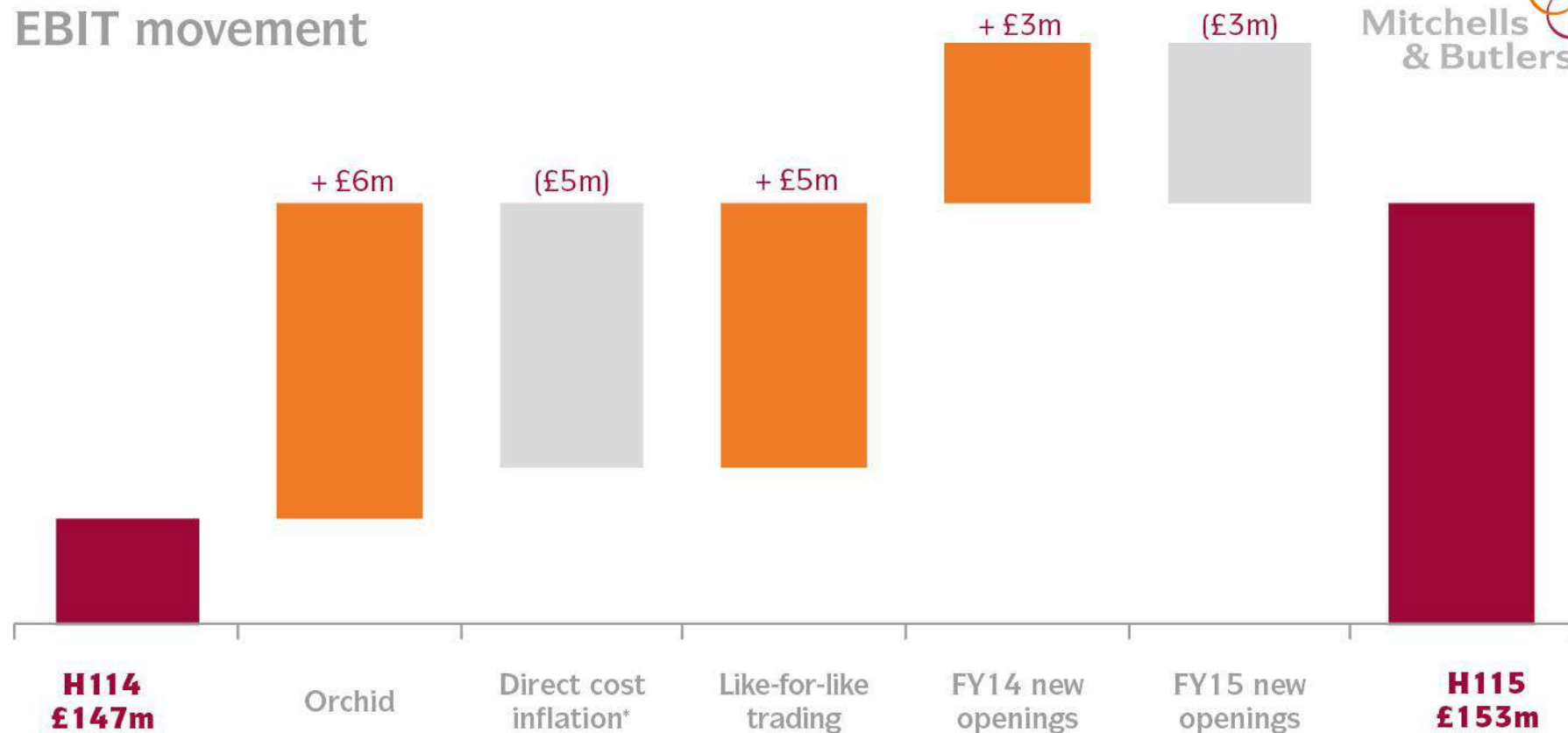
Food



Drink



EBIT movement



*Direct costs include wages and salaries, utilities and goods for resale

Group cash flow

	H1 2015 £m	H1 2014 £m	FY 2014 £m
EBITDA	213	204	422
Working capital / non cash items	26	25	18
Pension deficit contributions	(23)	(20)	(49)
Cash flow from operations	216	209	391
Maintenance & infrastructure capex	(70)	(58)	(120)
Net interest paid	(63)	(65)	(135)
Tax	(12)	(16)	(34)
Free cash flow before exceptional items	71	70	102
Expansionary capex	(24)	(28)	(42)
Orchid acquisition and integration	(4)	-	(263)
Other	4	1	4
Net cash flow	47	43	(199)
Mandatory bond amortisation	(30)	(28)	(58)
Net cash flow after bond amortisation	17	15	(257)

Group net debt

	Apr 2015 £m	Sept 2014 £m	Apr 2014 £m
Securitisation debt ¹	(2,042)	(2,066)	(2,101)
Liquidity facility	(147)	(147)	(148)
Cash & other	240	227	247
Securitised net debt	(1,949)	(1,986)	(2,002)
Cash	32	28	281
Group net debt	(1,917)	(1,958)	(1,721)
Net Debt : EBITDA ²	4.4x	4.5x	4.1x

Notes: 1) Includes currency derivatives hedging balance sheet debt

2) Based on annualised EBITDA

Capital expenditure and returns

	H1 2015 £m	H1 2014 £m
Maintenance and infrastructure	70	58
Expansionary	24	28
Total capital expenditure	94	86

- Increased maintenance capex due to Orchid, remodels and IT infrastructure
- Expect c65 new sites and conversions in the current year
- Returns include first six Orchid conversions

	H1 2015		FY 2012-15 EBITDA ROI
	Investment ^a	No. of sites	
Freehold Acquisitions	£4m	2	15%
Leasehold Acquisitions	£6m	7	18%
Conversions	£10m	23	23%
Total	£20m	32	18%

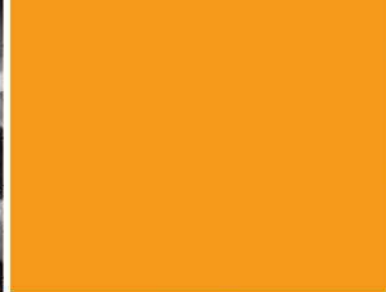
Notes: a: Spend relating to new and converted sites completed in the current year

Orchid

- **Head office closed April 2015 realising annual cost savings of £6m**
- **Conversion plan in progress**
 - 21 converted sites now open (14 at half year)
 - Expect to complete c.40 in FY15
 - Remaining conversions in FY16
 - Initial post-conversion returns strong and in line with expectations
- **Non-converted sites to be integrated into Heartland**

Key messages

- Continued growth in food volumes
- Margins reflect Orchid and volume growth
- Orchid integration on track
- Significant IT projects completed
- Adjusted earnings per share growth of 5.9%



Mitchells
& Butlers



Business Review — H1 2015 —

Alistair Darby
Chief Executive

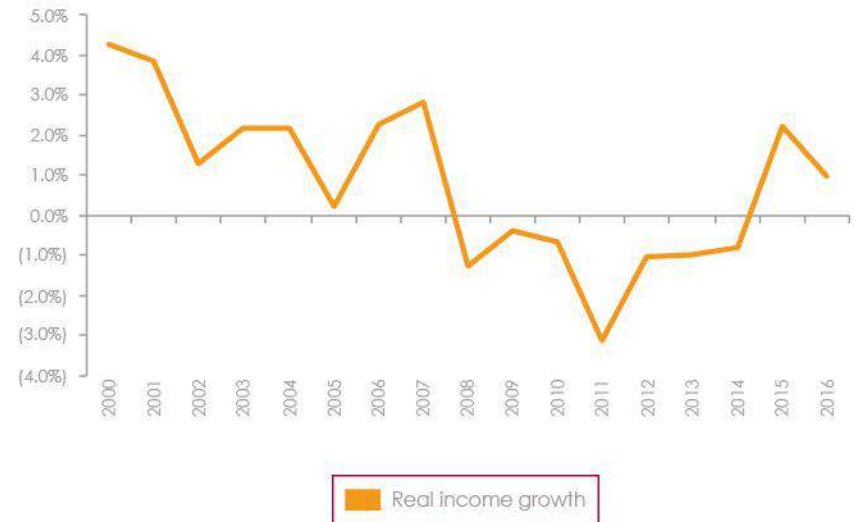
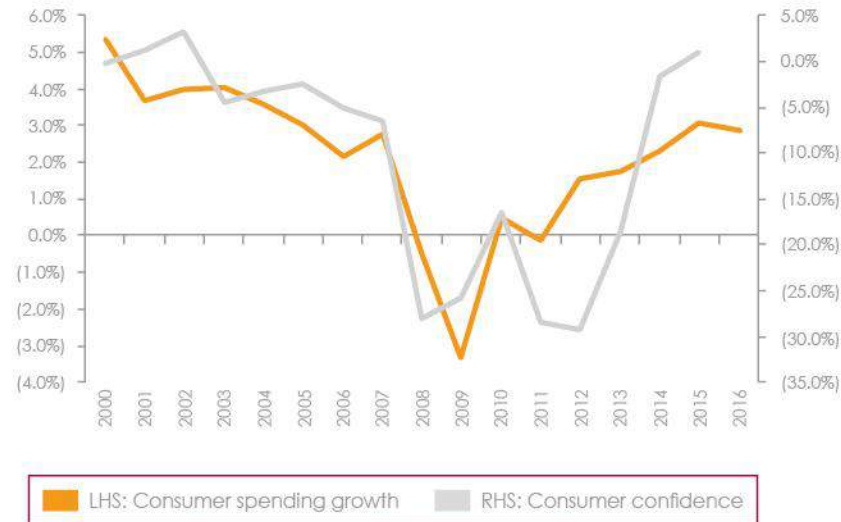


Our Good to Great Objectives

- Like-for-like sales growth ahead of the market
- Robust margins
- Attractive investment returns
- Lower net debt / EBITDA
- Dividend reinstated

Consumers are better off

- Consumer confidence growing close to pre-recession levels
- Real income growth forecast for 2015 and 2016
- Recent ASDA Income Trackers show increase of over 9%

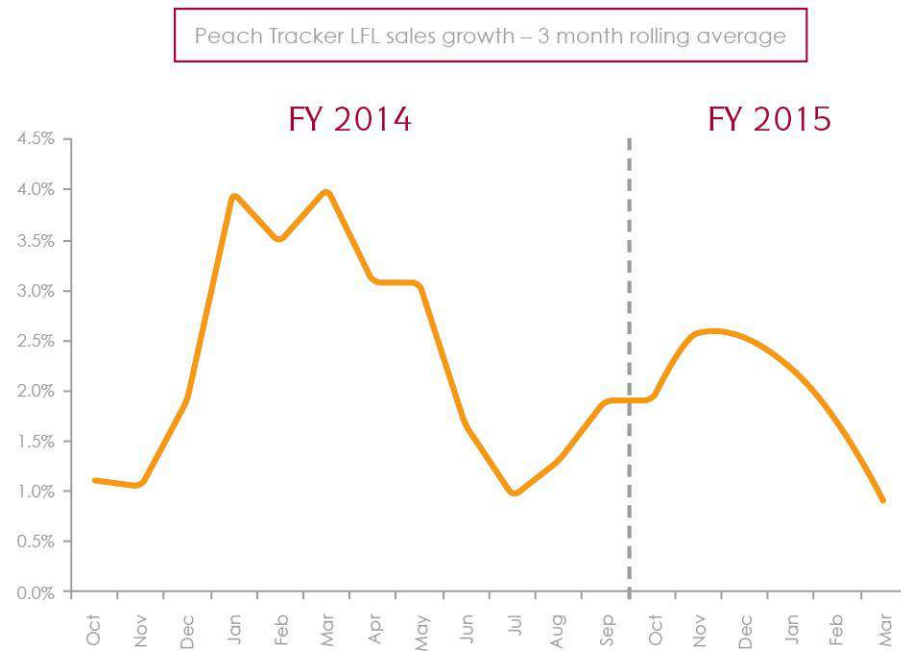


Challenging recent months in our market

- Peach tracker LFLs:

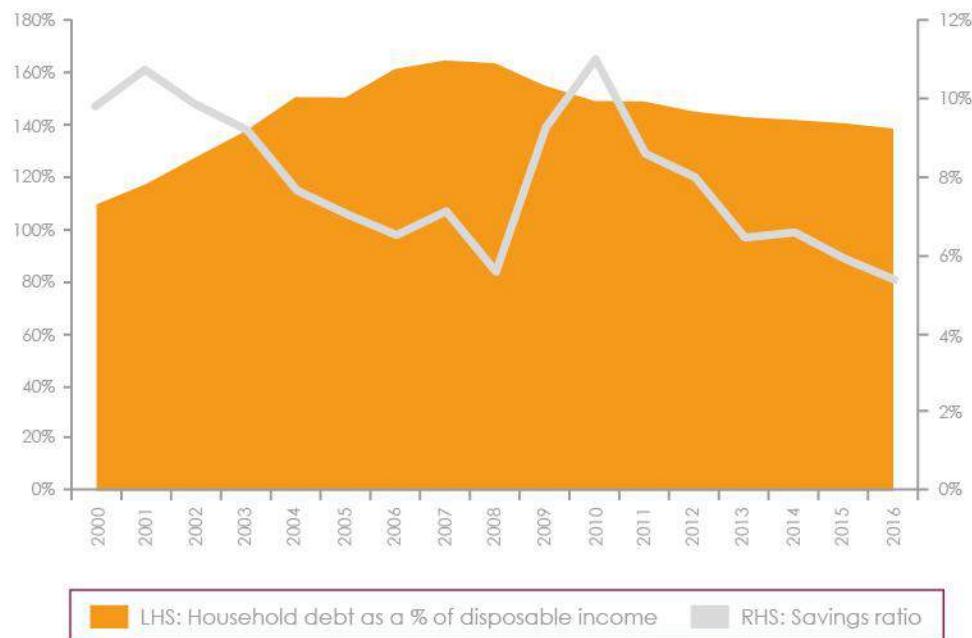
- Significant slowdown since Dec 2014
- March 2015: -0.3%
- Average 1.7% since Oct 2014

- Restaurants outperforming pubs and pub-restaurants



Dynamic and demanding market conditions

- Consumers continue to carry a significant amount of personal debt
- Consumers saving more
 - GfK Savings Index 8 points higher than LY in March
- Catch up of previously delayed larger purchases
 - GfK Major Purchase Index 16 points higher than LY in March
- M&B well-positioned through focus on value, flexibility and brands



Our key market spaces



Delivering the growth plan

FY 2010



FY 2016



- Growth capital in attractive market segments:

- Organic growth
- Single-site acquisitions
- Orchid conversion plan



Implementing the growth plan - H1

Investment directed towards attractive market spaces:

- 9 acquisitions
- 8 Orchid conversions
- 8 conversions

Optimising for cash generation:

- 1 conversion
- 6 Orchid conversions



Growth in attractive segments

- **Realising value in under-invested pubs**
 - Sawyers Arms (Nicholson's):
High street pub to premium eating and drinking
- **Expansion of successful concepts in premium market places**
 - Hayes Cardiff (Miller & Carter):
Retail outlet to premium steakhouse



Hardwired guest behaviour

“Every day I expect more for my hard-earned money”

Top teams delivering excellent guest experiences & great value

“I want the flexibility to eat & drink where & when it suits me”

Offer extension for all day eating and drinking occasions

“I look for reliable brands that meet my needs”

Brands with a strong reputation for clear & consistent benefits

Hardwired guest behaviour

“Every day I expect more for my hard-earned money”

Top teams delivering excellent guest experiences & great value

“I want the flexibility to eat & drink where & when it suits me”

Offer extension for all day eating and drinking occasions

“I look for reliable brands that meet my needs”

Brands with a strong reputation for clear & consistent benefits

Top teams delivering excellent guest experiences & great value

- Guest-focused teams:

- Staff turnover at new low of 77%
- New and improved apprenticeship programme

- Ways of working to focus on guests:

- EPOS system rollout completed
- Good to Great drives better results

- Value equation tailored by brand



• OFF THE BONE • 30 day dry & wet aged

RIBEYE 12OZ / 16OZ Bursting with flavour and almost as tender as fillet, recommended medium 12oz £20.50 16oz £24.95

FILLET 8OZ The most tender steak, regarded by many as the premium cut and recommended rare £22.95

SIRLOIN 8OZ / 12OZ A delicate flavour balanced with a firmer texture, recommended medium rare 8oz £17.95 12oz £22.75

RUMP 8OZ / 12OZ A firm texture and rich flavour, recommended medium 8oz £13.95 12oz £16.95

FILLET WELLINGTON Prime fillet steak topped with pâté and mushrooms and wrapped in puff pastry £19.95

CHATEAUBRIAND 16OZ Cut from the beef tenderloin, this most tender of cuts is recommended medium rare £24.95

Hardwired guest behaviour

“Every day I expect more for my hard-earned money”

Top teams delivering excellent guest experiences & great value

“I want the flexibility to eat & drink where & when it suits me”

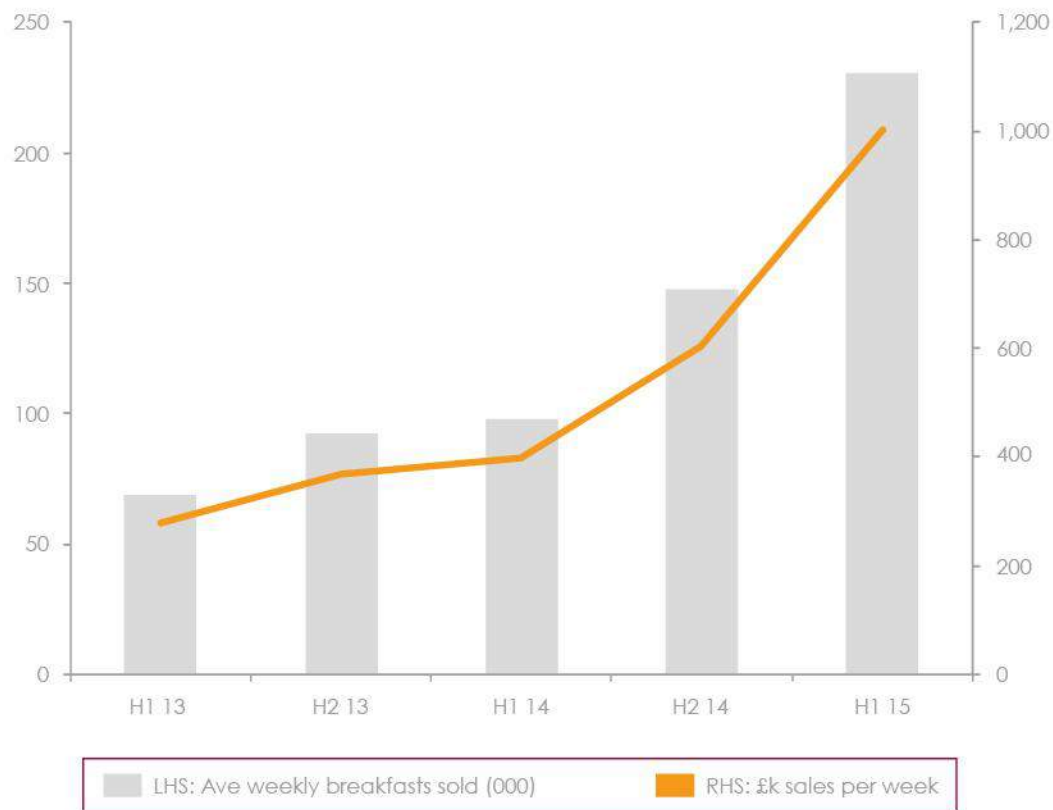
Offer extension for all day eating and drinking occasions

“I look for reliable brands that meet my needs”

Brands with a strong reputation for clear & consistent benefits

Offer extension for all day eating and drinking occasions

- **Average week:**
 - 230,000 breakfasts
 - 320,000 coffees
- **Significant profit generation, with some % margin impact**
- **Wide range of offers across brands and formats**



Offer extension for all day eating and drinking occasions

UNLIMITED
COOKED & CONTINENTAL
BREAKFAST
FOR **£4.99**
EVERYTHING INCLUDED EXCEPT
LAST NIGHTS RUMOURS

Breakfast & Brunch

Available until 12noon

Breakfast smoothies

Foie c fruit, granola, borage honey £3.50
Mango, pineapple, passionfruit £3.50

Eggs benedict:
Toasted English muffin, ham,
poached free range eggs, hollandaise £8.00

Eggs florentine (v)
Toasted English muffin, spinach,
poached free range eggs, hollandaise £7.50

Eggs royale
Toasted English muffin, smoked salmon,
poached free range eggs, hollandaise £8.00

Browns lobster benedict:
Toasted English muffin, lobster tails, poached free range eggs,
buttered spinach, hollandaise £16.00

Hardwired guest behaviour

“Every day I expect more for my hard-earned money”

Top teams delivering excellent guest experiences & great value

“I want the flexibility to eat & drink where & when it suits me”

Offer extension for all day eating and drinking occasions

“I look for reliable brands that meet my needs”

Brands with a strong reputation for clear & consistent benefits

Brands with a strong reputation for clear & consistent benefits

- Market growth continues to come from the branded sector
- Adding value through our brands:
 - Reliability
 - Consistency
 - Fresh food
 - Outstanding value

Brands with a strong reputation for clear & consistent benefits

HALFWAY HOUSE

UNBRANDED CARVERY,
SOUTHEND

AWT £22k



AWT £36k



Brands with a strong reputation for clear & consistent benefits

HOBBY HORSE

UNBRANDED,
CHESTERFIELD

AWT £17k

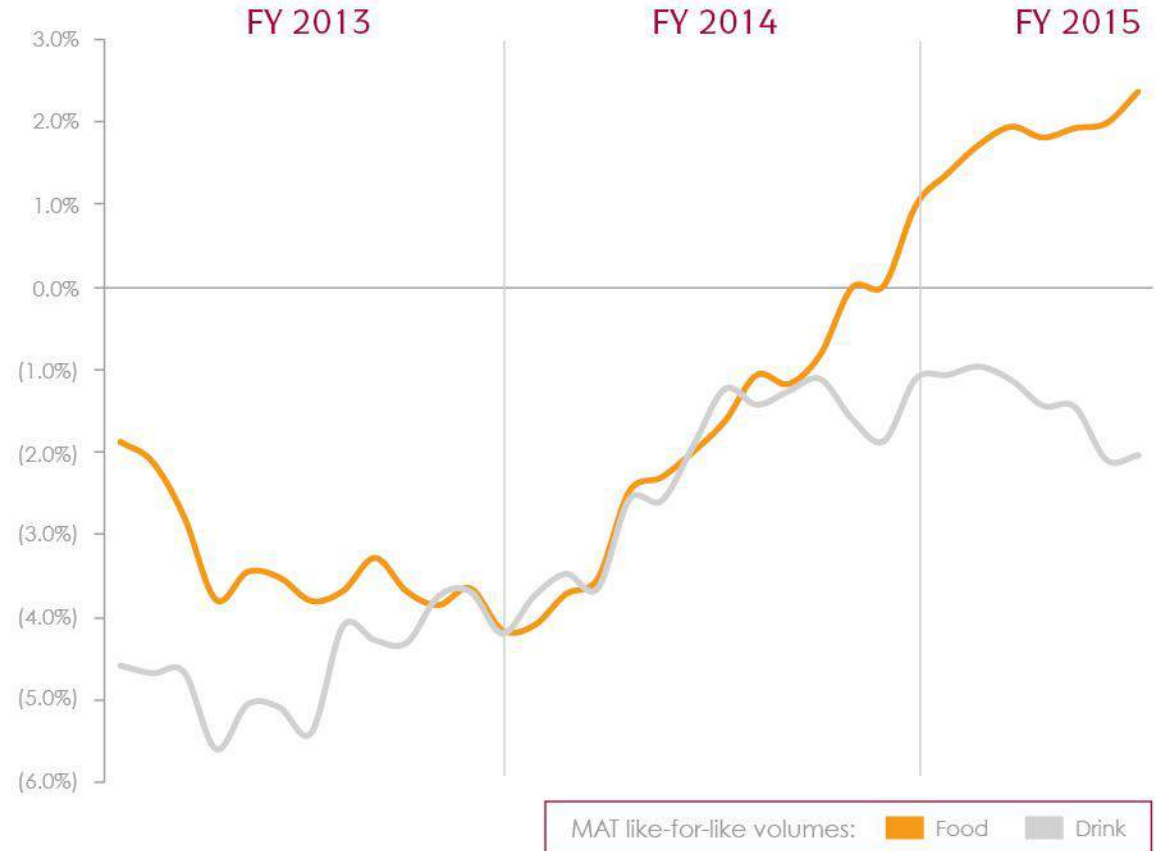


AWT £31k



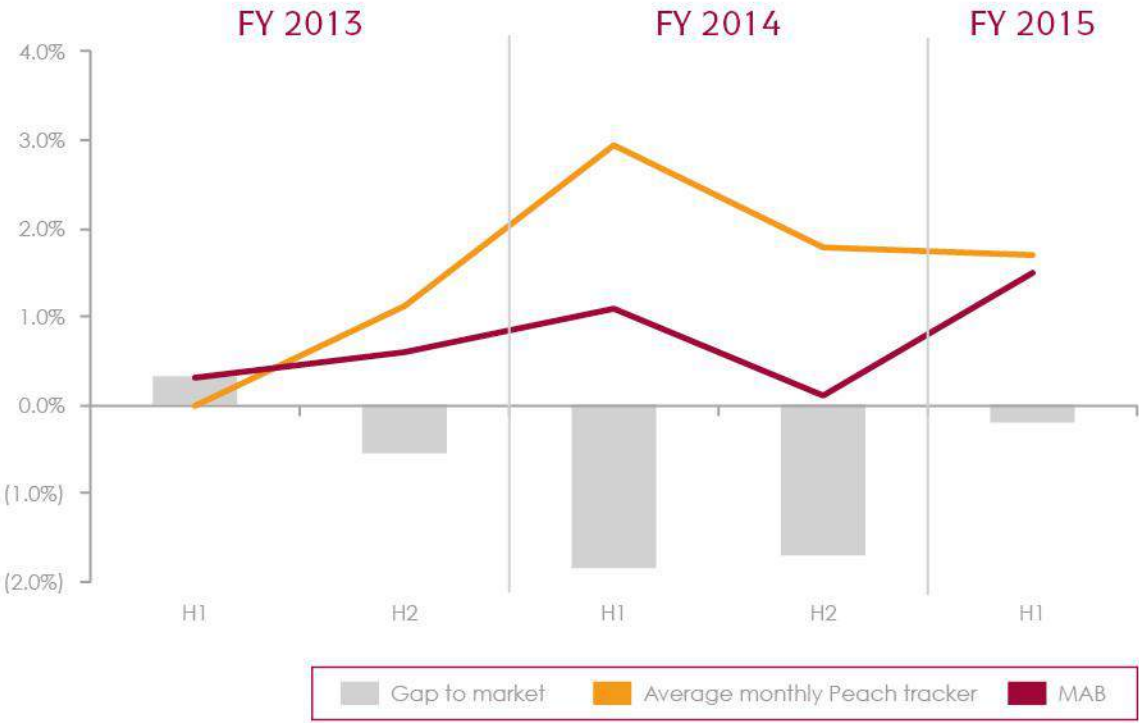
Food growth momentum

- Continued strong food volume growth
 - Occasion development and disciplined pricing
- Net promoter score improved by 2ppts to 65%



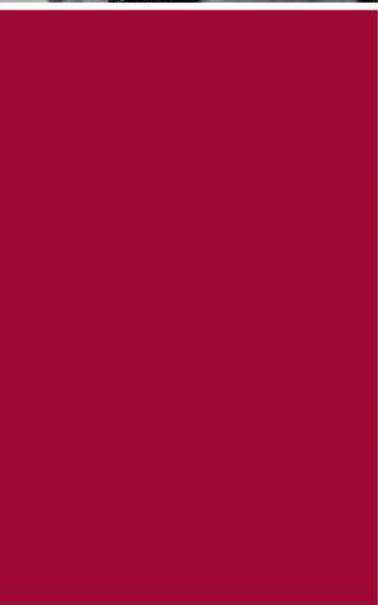
Like-for-like sales

- Closing relative gap to Peach tracker



Outlook

- Dynamic and demanding market conditions
- Focus on value, flexibility and brands
- Measured and targeted initiatives to win market share
- Strengthening food volumes and like-for-like sales
- Well-placed to grow further shareholder value



Questions

