

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 29 September 2013 to 12 April 2014

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 19 January 2014 to 12 April 2014 (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 18 January 2014 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 12 April 2014 £m
Aggregate principal amount outstanding at the Financial Quarter Date	2,114.8	(14.3)		2,100.5
Class A1N Notes	176.2	(2.1)		174.1
Class A2 Notes	320.6	(3.9)		316.7
Class A3N Notes	\$368.9	(\$4.5)		\$364.4
Class A4 Notes	170.0			170.0
Class AB Notes	325.0			325.0
Class B1 Notes	192.8	(5.6)		187.2
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

Q2 Principal Debt Movements on the Term Advance	Balance as at 18 January 2014 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 12 April 2014 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	2,114.8	(14.3)		2,100.5
A1N Term Advance	176.2	(2.1)		174.1
A2 Term Advance	320.6	(3.9)		316.7
A3N Term Advance	220.2	(2.7)		217.5
A4 Term Advance	170.0			170.0
AB Term Advance	325.0			325.0
B1 Term Advance	192.8	(5.6)		187.2
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 12 weeks comprising Q2 was £363.1m giving a total of £1,618.9m for the Relevant Year (comprising 52 weeks). EBITDA for the quarter was £75.8m giving a total for the Relevant Year of £366.3m.

	Q2 (12 weeks)	Relevant Period (28 weeks)	Relevant Year (52 weeks)
	£m	£m	£m
Turnover	363.1	854.5	1,618.9
Operating expenses	(309.4)	(725.4)	(1,346.6)*
Operating Profit	53.7	129.1	272.2*
EBITDA	75.8	180.6	366.3
Free Cash Flow	63.1	147.9	290.0
Debt Service	(44.5)	(100.5)	(184.6)

* Excludes £24m 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 £1,616m and the Net Worth Covenant is therefore satisfied.

	Q2 (12 weeks)	Relevant Period (28 weeks)	Relevant Year (52 weeks)
Free Cash Flow : Debt Service	1.4 times	1.5 times	1.6 times
EBITDA : Debt Service	1.7 times	1.8 times	2.0 times
Debt Service covenant satisfied		Yes	Yes
Restricted Payment Condition satisfied		Yes	Yes

Restricted Payments of £37.4m were made during Q2 and the Restricted Payment Maximum at 12 April 2014 was £16.9m. No calculation of the Further Restricted Payment Maximum was required.

Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure* at the end of Q2 was £77.2m. The Required Maintenance Amount* for the Financial Year is £91.8m.

Capital Enhancement Expenditure Investments were £0.7m in Q2, £1.7m in the Relevant Year and £0.9m 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 12 April 2014 were as follows:

	£m
Borrower Transaction Account	0.0
Disposals Proceeds Account	46.4
Maintenance Reserve Account	0.0
All other Obligor Accounts*	175.8

*includes £147.5m drawn under the Liquidity Facility and £5.8m held on deposit as cash collateral following the downgrade of a swap counterparty.

The amount available under the Liquidity Facility was £295m, of which £147.5m was drawn during the relevant period.

Estate

	Number
Outlets at the beginning of Q2	1,433
Acquisitions and substitutions	0
Disposals	1
Outlets at the end of Q2	1,432

The aggregate proceeds from disposals were £0.9m

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:

<http://www.mbplc.com/investors/securitisationanddebtinformation/>

Andrew Vaughan – Group Treasurer

0121 498 4400

QUARTERLY FINANCIAL INFORMATION

MITCHELLS & BUTLERS RETAIL LIMITED

This Quarterly Financial Information covers the results for Mitchells & Butlers Retail Limited for the Financial Quarter from 29 September 2013 to 18 January 2014

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 29 September 2013 to 18 January 2014 (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 28 September 2013 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 18 January 2014 £m
Aggregate principal amount outstanding at the Financial Quarter Date	2,129.0	(14.2)		2,114.8
Class A1N Notes	178.3	(2.1)		176.2
Class A2 Notes	324.4	(3.8)		320.6
Class A3N Notes	\$373.3	(\$4.4)		\$368.9
Class A4 Notes	170.0			170.0
Class AB Notes	325.0			325.0
Class B1 Notes	198.4	(5.6)		192.8
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 28 September 2013 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 18 January 2014 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	2,129.0	(14.2)		2,114.8
A1N Term Advance	178.3	(2.1)		176.2
A2 Term Advance	324.4	(3.8)		320.6
A3N Term Advance	222.9	(2.7)		220.2
A4 Term Advance	170.0			170.0
AB Term Advance	325.0			325.0
B1 Term Advance	198.4	(5.6)		192.8
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 £491.4m giving a total of £1,617.4m for the Relevant Year (comprising 52 weeks). EBITDA for the quarter was £104.8m giving a total for the Relevant Year of £368.2m.

	Q1 (16 weeks) £m	Relevant Period (28 weeks) £m	Relevant Year (52 weeks) £m
Turnover	491.4	872.5	1617.4
Operating expenses *	(416.0)	(720.1)*	(1343.1) *
Operating Profit *	75.4	152.4*	274.3 *
EBITDA	104.8	202.5	368.2
Free Cash Flow	84.8	159.7	302.6
Debt Service	(54.2)	(98.6)	(183.2)

* Excludes £24m of exceptional movements in the valuation of the property portfolio.

Coverages and Covenants

Free Cashflow DSCR was 1.7 times and the EBITDA to Debt Service ratio was 2.0 times for the Relevant Year and 1.6 times and 2.0 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 £1,616m and the Net Worth Covenant is therefore satisfied.

	Q1 (16 weeks)	Relevant Period (28 weeks)	Relevant Year (52 weeks)
Free Cash Flow : Debt Service	1.6 times	1.6 times	1.7 times
EBITDA : Debt Service	1.9 times	2.0 times	2.0 times
Debt Service covenant satisfied		Yes	Yes
Restricted Payment Condition satisfied		Yes	Yes

No Restricted Payments were made during Q1. The Restricted Payment Maximum at 18 January 2014 was £49.3m and no calculation of the Further Restricted Payment Maximum was required.

Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure* at the end of Q1 was £41.5m. The Required Maintenance Amount* for the Financial Year is £91.8m.

Capital Enhancement Expenditure Investments of £0.1m were made in Q1, £1.4m in the Relevant Year and £0.4m 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 18 January 2014 were as follows:

	£m
Borrower Transaction Account	0.0
Disposals Proceeds Account	45.3
Maintenance Reserve Account	0.0
All other Obligor Accounts *	201.3

* includes £147.5m drawn under the Liquidity facility and £7.2m held on deposit as cash collateral following the downgrade of a swap counterparty.

The amount available under the Liquidity Facility is £295m, of which £147.5m was drawn during the period.

Estate

	Number
Outlets at the beginning of Q1	1,437
Acquisitions and substitutions	0
Disposals	(4)
Outlets at the end of Q1	1,433

The aggregate proceeds from disposals were £1.3m.

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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