

Piedmont Inc.

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Re: Mitchells & Butlers plc (“M&B”) – Response to recent market movement in M&B shares

Piedmont Inc. (“Piedmont”), a company which holds a 22.8% shareholding in M&B, notes the recent movement in the price of M&B shares.

Piedmont confirms that it has presented a proposal to the Board of M&B regarding a possible cash offer, with a partial share alternative, by Piedmont or a related company for the entire issued share capital of M&B which Piedmont does not currently own.

The Board of M&B indicated to Piedmont that it would not currently recommend Piedmont’s proposal. Piedmont is now considering whether it will make a further offer proposal at 230p per M&B share, a price which represents a premium of 6.3% to today’s opening mid market share price of 216.4p and a premium of 4.5% to the closing mid market share price of 220.1p on Friday 9 September 2011. There can be no certainty at this stage as to whether an offer will be made or as to the timing of any offer.

This is an announcement under Rule 2.4 of the City Code on Takeovers and Mergers (the “Code”). It does not represent a firm intention to make an offer under Rule 2.5 of the Code. Pursuant to Rule 2.4(c) of the Code, if an offer is made, Piedmont reserves the right to reduce the level of consideration to be paid if: (i) the Board of M&B agrees to such variation; (ii) a third party announces a possible or firm intention to make an offer for M&B at a price lower than 230p; (iii) M&B announces, declares or pays a dividend or any other distribution or other payments to its shareholders, in which case there would be an equivalent reduction in Piedmont’s offer price; or (iv) M&B issues additional shares, above the existing issued share capital of 409,459,926 ordinary shares (net of 429 shares held in treasury) as disclosed by M&B on 31 August 2011, other than by way of satisfaction of valid awards in relation to the 16.865 million options outstanding over shares in M&B as disclosed in M&B’s annual report and accounts for the year ended 25 September 2010, in which case there would be an equivalent reduction in Piedmont’s offer price. In addition, Piedmont reserves the right to change the form of consideration under any offer.

Any further announcements on the matter will be made by Piedmont as and when appropriate.

All Enquiries:	Maitland	+44 207 379 5151
	Neil Bennett	
	George Hudson	

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities. This announcement has been prepared in accordance with English law and the Code, and information disclosed may not be the same as that which would have been prepared in accordance with laws outside of the United Kingdom.

The distribution of this announcement in jurisdictions outside of the United Kingdom may be restricted by law, and therefore persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period

and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Publication on websites

A copy of this announcement is and will be available free of charge, subject to certain restrictions relating to persons resident outside the United Kingdom, for inspection at www.piedmontincorporated.com.