



3 April 2008

Marston's PLC

Pre-Close Trading Statement

The Board of Marston's PLC issues the following trading update following the end of the first half of the current financial year on 29 March 2008.

Trading

In Marston's Inns & Taverns, our managed pub division, like-for-like sales for the 24 weeks to 15 March 2008* were 0.3% above last year against strong comparatives, with reported like-for-like sales growth of 7.0% for the same period last year. Food sales have continued to show excellent like-for-like sales growth of 7.8% in the same 24 week period, although higher margin wet sales and machine income were 3.1% and 10.3% below last year respectively. Our new build programme continues to generate attractive returns with 8 new pubs opened in the first half-year, and we expect to open a further 12 in the second half-year.

In Marston's Pub Company, our tenanted and leased pub division, like-for-like profit was slightly below last year in the period with growth in rental income offset by volumes and machine income in line with market trends.

In Marston's Beer Company, whilst overall volumes remain below last year we have increased market share with continued good performance in the premium ale segment.

Costs across the Group have been well controlled, notwithstanding inflationary pressures in brewing and food purchasing, but the changes in sales mix described above will continue to have an impact on operating margins.

In our interim results statement due to be issued on 23 May 2008 we expect to report Group sales up by around 4% compared to last year for the 26 week period, reflecting the acquisitions of Sovereign Inns, Eldridge Pope and Ringwood Brewery in 2007. Operating profit (before interest and taxation) is expected to be in line with last year, although profit before taxation will reflect the higher interest costs associated with the £150 million share buy-back programme in 2007. Earnings per share will also reflect the related reduction of around 9.5% in the average number of shares in issue and an expected lower underlying rate of taxation. Underlying cash generation remains strong with net debt estimated to be approximately £1.27 billion at the half year-end.

Outlook

We remain cautious about the outlook for 2008, and the recent increase in beer duty adds to the pressures on tenants and free trade operators in an already challenging trading environment.

However with our high quality pub estate and our continuing investment in new-build pubs, we are well positioned to exploit favourable trends including market growth in casual dining, and our value for money offers and mid-market position are well suited to the current economic climate. Notwithstanding the current testing market conditions our expectations for the financial year as a whole remain unchanged.

* In 2007 Easter fell in the second half-year. Like-for-like sales are reported for the 24 week period in order to be on a comparable basis to last year.

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