



26th January 2007

AGM STATEMENT

At the Annual General Meeting to be held at 12 noon today, Ralph Findlay, Chief Executive, will give the following up-date on the Company's progress since the start of the current financial year on 1 October 2006:

“Our good start to the new financial year, as reported in our Preliminary Results Announcement on 1 December 2006, continued over the Christmas and New Year trading period.

In Marston's Inns & Taverns, our managed pub division, like-for-like sales were 7.0 % ahead of last year in the 16 weeks to 20 January 2007. As previously reported, like-for-like sales were 9.1% ahead of last year in the 8 weeks to 25 November 2006, and in the following 8 weeks to 20 January 2007 were 5.2 % ahead of last year. Strong growth in food sales contributed to this good performance. In Marston's Pub Company, our tenanted and leased pub division, trading has remained good and is ahead of last year. Marston's Beer Company achieved strong volume and market share growth in premium ale against a weak beer market overall, with total beer volumes marginally below last year.

Overall, our performance and cash flow has been in line with our expectations.

Marston's Inns and Taverns new-build programme is progressing well, with 6 new managed pub openings in Brighton, London, Hertfordshire, Cheshire, Nuneaton and Bristol.

Marston's Pub Company has acquired 39 tenanted or leased pubs to date, including the acquisition of Sovereign Inns for £19.4 million on 16 January 2007. Sovereign Inns comprises an estate of 33 freehold pubs located principally in Yorkshire, Nottinghamshire and Lincolnshire.

Our preparations for the smoking ban are well advanced in both Marston's Inns and Taverns and Marston's Pub Company. The ban will apply in Wales from April 2007 and in England from July 2007, by which time we will have invested approximately £20 million in outside areas, mainly in pub gardens and patios – facilities which are available in around 90% of our pubs.

On 25th January we announced the acquisition of Eldridge Pope for £155.1 million. This acquisition is an excellent geographical and operational fit, and offers further opportunities for investment and distribution of our beer brands.

Following the acquisition of Eldridge Pope, Marston's retains balance sheet strength and financial flexibility. As stated in the Preliminary Results Announcement on 1 December 2006, the Company aims to return around £100 million to shareholders this financial year notwithstanding the acquisition of Eldridge Pope, subject to retaining flexibility to make acquisitions should suitable opportunities arise.'

ENQUIRIES:

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