



25th January 2008

## MARSTON'S PLC ('Marston's')

### AGM AND INTERIM MANAGEMENT STATEMENT

16 weeks to 19 January 2008

Marston's PLC issues the following Interim Management Statement in advance of the Company's Annual General Meeting to be held at 12 noon today.

#### Trading

Group sales were 7.9% ahead of last year for the 16 week period reflecting the acquisitions of Sovereign Inns, Eldridge Pope and Ringwood Brewery in 2007.

In Marston's Inns & Taverns, our managed pub division, like-for-like sales increased by 1.0% for the 16 week period to 19 January 2008 against strong comparatives with reported like-for-like sales growth of 7.0% for the same period last year. In the last 8 weeks to 19 January 2008 like-for-like sales were 0.1% ahead of last year. Food sales have continued to show excellent like-for-like sales growth of 9.5%, although higher margin wet sales and machine income were 2.6% and 9.8% below last year respectively.

In Marston's Pub Company, our tenanted and leased pub division, like-for-like profit was 0.6% below last year in the period with growth in rental income offset by weak volumes and machine income in line with market trends.

In Marston's Beer Company overall volumes are below last year. However we have continued to increase market share in a weak beer market with regional premium ales from the Jennings and Ringwood breweries showing good growth. This summer we aim to build on our successful association with cricket in England and Wales through becoming the Official Beer of the Twenty20 Cup.

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.

#### Financing and cash flow

Net debt and cash flow are in line with our expectations. We announced on 19 November 2007 the terms of a £330 million tap of our securitisation which completed on 22 November 2007. Following this refinancing nearly all of our borrowings are at effectively fixed rates with a blended cost of debt of approximately 6.1%.

Since 30 September 2007 we have purchased 8.7 million shares at a total cost of around £29 million, meeting our stated target of returning £150 million to shareholders in the 2007 calendar year.

#### The Board

Peter Lipscomb will retire from the Board following this Annual General Meeting, and we thank him for the significant contribution he has made to the development of the Company since he joined in 2000. On 21 January 2008 we announced the appointment of Neil Goulden, Chief Executive of The Gala Coral Group, as a Non-Executive Director from 31 March 2008 and we look forward to welcoming him to the Board.

#### Outlook

We remain cautious about the outlook for 2008 as a consequence of the smoking ban, weaker consumer confidence and pressures on costs and margins. However, our high quality pub estate is well positioned to exploit favourable market trends including the growth in casual dining. Our value for money offers and mid-market position are appropriate for the current economic climate.

Ralph Findlay, Chief Executive, commented as follows:

"Marston's has a clear strategy for growth and a strong balance sheet supported by a substantially freehold pub estate which provides us with significant operational and financial flexibility. We are working hard to reduce the impact of rising costs while supporting tenants and lessees in this challenging market. Our new build pub programme is on track and our pub estate is well positioned for the current economic climate and for longer term market trends."

The next report to shareholders will be on 23 May when Marston's issues its interim results for the 26 weeks to 29 March 2008. An Interim Management Statement will be issued in early July followed by a pre-close trading update in early October in respect of the 53 week period to 4 October 2008.

There will be a conference call for analysts and investors at 8.30am today. To access the call, please contact James White at Hudson Sandler on +44 (0) 207 796 4133.

**ENQUIRIES:**

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