



3 October 2012

## MARSTON'S PLC YEAR-END TRADING UPDATE AND DIRECTOR APPOINTMENT

Marston's PLC issues the following update on trading for the year ended 29 September 2012. The preliminary results will be announced on 29 November 2012.

### Trading

Our performance for the year has been resilient against the challenging economic backdrop and the very wet weather during the summer months. Earnings before tax and exceptional items are in line with our expectations.

In managed pubs, like-for-like sales were 2.2% ahead of last year including like-for-like food sales growth of 2.4% and like-for-like wet sales growth of 2.1%. Operating margins were slightly ahead of the previous year.

We completed 25 new pub-restaurants with investment returns remaining strong and above target. The impact of our new-build programme over the past three years has been significant, substantially increasing our exposure to the informal dining market and contributing to continuous improvement in the quality of our pub estate. We aim to continue to develop our managed pub estate at a similar rate of growth for the foreseeable future, and have a clear development pipeline including 20-25 sites planned for completion in the 2013 financial year subject to planning.

In our leased, tenanted and franchised pubs, operating profits are estimated to be around 3% ahead of last year. This improvement is principally due to the growth of our franchised estate, which now constitutes around 500 pubs. Pubs operated under the traditional leased and tenanted model contributed profits in line with last year.

In brewing, our own-brewed beer volumes are 2% higher than last year with growth in both premium cask and bottled ales.

### Estate Valuation

During the second half year the pub estate and other properties have been valued externally in accordance with Group accounting policy. The key results are as follows:

- The estate value of £2.0bn is broadly in line with that reported in the 2011 accounts.
- The managed estate has increased in value by £163m reflecting value created through building new pub-restaurants and the higher quality of the managed estate generally. The new-build sites that have been built since 2009 have been valued at a premium to build cost of over 50%.
- The value of the tenanted and franchised estate has reduced by £186m reflecting the lower multiples being achieved from the sale of tenanted pubs in the current market.
- For accounting purposes, revaluation surpluses are recognised in the revaluation reserve, whilst some deficits are required to be recognised in the income statement. Accordingly, there will be a pre-tax exceptional charge of around £215m through the income statement. This will be accounted for in the year ended 29 September 2012.
- The estate valuation has no impact on underlying trading performance or on the Group's cash flow.

## **Board Appointment**

We are pleased to announce the appointment of Peter Dalzell as a main Board Director with immediate effect. This appointment follows our decision to bring together the management of all of our pubs in one team, reporting to Peter, to provide the optimal structure for ensuring maximum operating flexibility within our pub estate. Peter joined the Group in 1995; he has extensive experience in operating our managed, leased and tenanted pubs, and was instrumental in the development of our franchise business for which he has been responsible since 2011.

Stephen Oliver will continue to report to Ralph Findlay, Chief Executive Officer, as Managing Director of Marston's Beer Company.

Marston's PLC confirms that there is no other information required to be disclosed under the requirements of Listing Rule 9.6.13R in relation to the appointment of Peter Dalzell.

### **Commenting, Ralph Findlay, Chief Executive Officer, said:**

"We have been encouraged by the performance of all areas of our business this year despite the challenging consumer environment and the poor weather. Our continued focus on offering value for money to our customers together with high service and quality standards is appropriate for current market conditions, and is generating profitable growth with improved returns. The recent valuation exercise demonstrates the inherent quality of our pub estate and in particular highlights the significant value created by our new-build pub-restaurants."

#### **ENQUIRIES:**

##### **Marston's PLC**

Ralph Findlay, Chief Executive Officer  
Andrew Andrea, Chief Financial Officer  
Tel: 01902 329516

##### **Hudson Sandler**

Andrew Hayes /Andrew Leach /George Parker  
Tel: 020 7796 4133

#### **NOTES TO EDITORS**

- Marston's is a leading pub operator and independent brewer.
- It has an estate of around 2,150 pubs situated nationally; comprising tenanted, leased, franchised and managed pubs.
- It is the UK's leading brewer of premium cask and bottled ales, including Marston's Pedigree and Hobgoblin. The beer portfolio also includes Banks's, Jennings, Wychwood, Ringwood, Brakspear and Mansfield beers.
- Marston's employs over 12,000 people throughout England and Wales.