



17 April 2013

CHANGES TO PUB SEGMENTAL REPORTING AND TRADING UPDATE

In our 2012 preliminary results we highlighted that our pubs businesses are now operated within a single division.

We have undertaken this operational restructuring in order to better align our pubs to their specific consumer offer rather than the business model under which they operate. As a consequence, in our Interim Results for the 26 weeks ended 30 March 2013 we will be changing the segmentation of the reporting of the pub businesses as described below. This will provide a better understanding of the performance of our pubs from a consumer segmentation perspective, and of the impact of capital allocation decisions.

Destination and Premium

Destination will include those pubs where the food sales mix is high and the primary reason for a consumer visit is to dine.

This group of pubs includes all of the new-build investments in recent years and is intended to be the key focus of investment and driver of future growth, increasing by 20-25 pubs a year. All of these are operated as managed pubs.

Premium includes pubs operating as Pitcher and Piano or Revere and will grow principally through the gradual conversion of selected existing sites.

Destination and Premium currently comprises 301 Destination Pub Restaurants, including all of the new-build investments and 38 pubs operating as either Pitcher and Piano or Revere.

Taverns

Taverns will include our well-situated high quality community pubs, operated through managed, franchised and tenanted business models.

In these pubs, the drinks sales mix is high although food sales are increasing in importance. From a consumer perspective the success of these pubs is achieved through a combination of great licensees, offers, entertainment and amenities appropriate for local consumers. Our intention is to increase the number of pubs operating under franchise agreements over time, initially through converting tenanted pubs and then a number of managed pubs.

Taverns currently comprises 156 community managed pubs and 1,242 tenanted and franchised pubs, including 379 pubs identified for disposal.

Leased

The leased model is well-suited to high quality distinctive pubs which benefit from a higher degree of independence and committed entrepreneurial licensees. We currently operate 391 pubs under this model.

These changes to our pub segmentation analysis have no impact on the reporting of Marston's Beer Company ('Brewing') performance or the Group results overall. For comparative purposes the restatement of the 2012 interim and full year results is set out below.

New Reporting Format

	H1 2012 £m	Full Yr 2012 £m
Turnover		
Destination and Premium	142.9	306.1
Taverns	117.5	241.6
Leased	28.1	58.3
Brewing	53.6	113.7
Total	342.1	719.7
Operating Profit		
Destination and Premium	22.1	56.8
Taverns	32.1	73.2
Leased	13.9	26.0
Brewing	7.5	16.4
Group Services	(8.0)	(14.5)
Total	67.6	157.9

Previous Reporting Format

	H1 2012 £m	Full Yr 2012 £m
Turnover		
Managed	190.4	405.5
Tenanted & Franchised	98.1	200.5
Brewing	53.6	113.7
Total	342.1	719.7
Operating Profit		
Managed	28.3	74.2
Tenanted & Franchised	39.8	81.8
Brewing	7.5	16.4
Group Services	(8.0)	(14.5)
Total	67.6	157.9

Trading update

Snow and exceptionally cold weather throughout the UK in the three months to the end of March inevitably affected trading across our pub estate and we expect to report operating profit for the first half slightly below that of last year. As previously guided, the interest charge for the period will be higher, principally due to the step-up in securitised interest. However, our expectations for the overall trading performance for the full year remain unchanged.

As part of the operational restructuring described above and our ongoing focus on minimising costs, we expect to reduce operating costs by around £3m per year, with about half of this amount benefitting the results for the second half of this year. Trading has started well in the second half and we expect to benefit from less challenging sales comparatives for the remainder of the financial year. We have opened nine new pub restaurants in the financial year to date and anticipate opening at least 20 by the end of the year which, combined with the rollover benefit of the back-ended 2012 programme, will generate additional profit in the second half.

We will announce our Interim Results for the 26 weeks to 30 March 2013 on 16 May 2013.

ENQUIRIES:**Marston's PLC**

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NOTES TO EDITORS

- Marston's is a leading pub operator and independent brewer.
- It has an estate of around 2,130 pubs situated nationally; comprising tenanted, 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 around 13,000 people.