



23rd January 2009

MARSTON'S PLC ('Marston's')

AGM AND INTERIM MANAGEMENT STATEMENT 15 weeks to 17 January 2009

Marston's PLC issues the following Interim Management Statement for the 15 weeks to 17 January 2009 in advance of the Company's Annual General Meeting to be held at 12 noon today.

Trading

In a difficult trading environment our emphasis over the first quarter has been on continuing to offer our customers exceptional value for money and good service, on promoting a sustainable and fair basis for our dealings with tenants and lessees, and on the tight control of costs. Like-for-like comparisons against last year reflect a relatively strong first quarter performance in the last financial year.

In Marston's Inns & Taverns, our managed pub division, like-for-like sales for the period were 2.9% below last year. Trading in the Christmas and New Year weeks showed a slight improvement compared to recent trends, but as expected trading in January to date has been more subdued. Operating margin is slightly below last year in line with our plans.

In Marston's Pub Company, our tenanted and leased pub division, like-for-like profit was approximately 6% below last year. Good, well positioned pubs with sustainable rents operated by skilled and committed licensees continue to trade well, as demonstrated by the fact that pubs let on the basis of substantive agreements achieved profit growth overall. We continue to provide significant commercial support for all tenants and lessees, and have introduced a range of initiatives to stimulate business development including more flexible agreements.

Financial support for tenants and lessees, including additional discounts and rent alleviation, is also provided where appropriate. The cost of financial support in the first quarter has not increased significantly since the end of the last financial year. We have also announced to tenants and lessees that we will mitigate the impact of recent substantial price increases from the major lager brewers, and that we have no plans to increase the wholesale price of our own brewed beers until the autumn of 2009 at the earliest. These measures will help to ensure that our tenants and lessees are better placed to protect their sales and margins in a competitive environment, and, therefore, will also contribute to continuing stability.

In Marston's Beer Company, own brewed volumes were ahead of last year including the benefit of the acquisition of Wychwood Brewery in April 2008. Our market share has therefore increased in a beer market which is declining.

We are controlling costs tightly. As previously reported, we expect to be able to substantially mitigate cost increases of around £12 million in 2009 as a consequence of recent fixed utility contracts, new purchasing agreements and reductions to central overheads achieved during 2008.

Financing and cash flow

Net debt and cash flow are in line with our expectations. We announced on 13 January 2009 that we have extended £295 million of our existing £400 million bank facility from August 2010 to August 2013. As a consequence, although the average interest rate on borrowings will increase slightly from around 6.1% to 6.3%, we have secure funding for our requirements in the medium term.

As at 4 October 2008 net debt was £1.27 billion, with around £240 million drawn against the £400 million facility. Recognising current economic conditions, it is our intention to reduce net debt over time. As a consequence, capital expenditure in 2009 is anticipated to be around £50 million (2008: £117 million), principally as a result of the previously reported reduction in the number of new pub openings.

Outlook

The economic environment remains difficult. The government raised taxes significantly through higher levels of beer duty in 2008, and we are concerned that further increases will be levied in 2009. This would present additional significant challenges to our tenants, lessees and free trade customers. We strongly support industry bodies, including the British Beer & Pub Association, in campaigning for a reduction in beer duty through the 'Axe The Beer Tax' campaign.

We remain cautious about the outlook for the remainder of 2009. However, we believe that our high quality pub estate, our value for money offers, and a consistent approach to dealing fairly with our tenants on the basis of shared risks and reward, leave us relatively well positioned in the longer term.

ENQUIRIES:

Marston's PLC
Ralph Findlay, Chief Executive
Paul Inglett, Finance Director
Tel: 01902 329516

Hudson Sandler
Andrew Hayes / Nick Lyon
Tel: 020 7796 4133

NOTES TO EDITORS

- Marston's is one of the UK's leading independent brewer and pub operators.
- It has an estate of circa 2,250 pubs and bars situated across England and Wales and is the UK's leading brewer of premium cask ales, including Marston's Pedigree and Jennings Cumberland Ale. The beer portfolio also includes Banks's, Brakspear, Hobgoblin, Mansfield and Ringwood beers.
- The estate comprises 1,733 tenanted or leased pubs, and 506 managed pubs including Marston's Tavern Table, Two for One and Pitcher & Piano.
- Marston's employs over 12,000 people throughout England and Wales.