

**Marston's Pubs Limited**  
**FINAL INVESTOR REPORT**  
**For the Period ended 29 September 2007**

**This Investor Report covers the results for Marston's Pubs Limited**  
**From 1 October 2006 to 29 September 2007**

To: HSBC Trustee (C.I.) Limited (as *Borrower Security Trustee, Issuer Security Trustee, and Note Trustee*)  
 HSBC Bank plc (as *Principal Paying Agent*)  
 Standard & Poor's Rating Services  
 Fitch Ratings Limited

Terms defined in the Master Definitions and Construction Schedule (the **Master Definitions and Construction Schedule**) dated as of 9 August 2005 and signed for the purposes of identification by Freshfields Bruckhaus Deringer and Linklaters shall bear the same meaning herein.

**Definitions:**

Q1 means the results for the Financial Quarter from 1 October 2006 to 30 December 2006  
 Q2 means the results for the Financial Quarter from 31 December to 31 March 2007  
 Q3 means the results for the Financial Quarter from 1 April 2007 to 30 June 2007  
 Q4 means the results for the Financial Quarter from 1 July 2007 to 29 September 2007

Final period and Relevant Period means Q3 + Q4; and  
 Relevant Year means Q1 + Q2 + Q3 + Q4

**Principal Debt Movements**

Q3 Principal Debt Movements on the Notes	Balance as at 1 July 2007 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 29 September 2007 £m
Aggregate principal amount outstanding at the Financial Quarter Date	786.3	(2.9)	-	783.4
Class A1 Notes	217.3	(2.9)	-	214.4
Class A2 Notes	214.0	-	-	214.0
Class A3 Notes	200.0	-	-	200.0
Class B Notes	155.0	-	-	155.0

Q3 Principal Debt Movements on the Term Advance	Balance as at 1 July 2007 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 29 September 2007 £m
Aggregate principal debt outstanding at the Financial Quarter Date	786.3	(2.9)	-	783.4
A1 Term Advance	217.3	(2.9)	-	214.4
A2 Term Advance	214.0	-	-	214.0
A3 Term Advance	200.0	-	-	200.0
B Term Advance	155.0	-	-	155.0

## Specific Trading Details

Turnover for the 13 weeks comprising Q4 was £83.3m giving a total during the Relevant Year of £325.3m. EBITDA for the quarter was £31.8m giving a cumulative total of £119.8m.

	Tenanted (Q4) £m	Managed (Q4) £m	Total (Q4) £m	Relevant Period (Q3 + Q4) £m	Relevant Year ( Q1 + Q2 + Q3 + Q4) £m
Turnover	33.3	50.0	83.3	168.7	325.3
Operating expenses	17.8	37.7	55.5	112.4	222.7
Adjusted Operating Profit*	15.5	12.3	27.8	56.3	102.6
Operating Profit			32.9	51.4	92.7
EBITDA	16.8	15.0	31.8	64.9	119.8
Free Cash Flow			24.7	49.1	88.6
Debt Service			13.0	25.9	51.6

\* Before amortisation of goodwill

## Coverages and Covenants

FCF DSCR was 1.7 times and the EBITDA to Debt Service ratio was 2.3 times for the Relevant Year and 1.9 times and 2.5 times respectively for the Relevant Period. The Debt Service Covenant and Restricted Payment Condition were satisfied.

	Relevant Period (Q3 + Q4)	Relevant Year (Q1 + Q2 + Q3 + Q4)
Free Cash Flow: Debt Service	1.9 times	1.7 times
EBITDA: Debt Service	2.5 times	2.3 times
Debt Service covenant satisfied	Yes	Yes
Restricted Payment Condition satisfied	Yes	Yes

Net Worth as at 29 September 2007 was £578.4m. Restricted Payments of £nil were made in Q4 and £28m during the Relevant Year. The Restricted Payment Maximum at 29 September 2007 was £37.7m and no calculation of the Further Restricted Payment Maximum was required.

## Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure\* in the Relevant Year was £30.5m and the Relevant Period was £16.0m. The Required Maintenance Amount\* for the Relevant Year is £13.5m

Capital Enhancement Expenditure of £6.1m was made in the Q4, £22.1m in the Relevant Year and £10.3m in the Relevant Period.

\*Maintenance includes both capital items and items expensed through the Profit & Loss account.

## Cash Balances

Balances on the following accounts at 29 September 2007 were as follows:

	£m
Borrower Transaction Account	(4.2)
Disposals Proceeds Account	-
Maintenance Reserve Account	-
All other Obligor Accounts	31.0

Amounts available under the Liquidity Facility were £86m. No amounts were drawn under this facility.

## Estate

	Tenanted Number	Managed Number	Total Number
Outlets at the beginning of Q3	1,116	286	1,402
Conversions from Managed to Tenanted	-	-	-
Conversion from Tenanted to Managed	-	-	-
Acquisitions and substitutions	72	-	72
Disposals	-	-	-
Closed	-	-	-
Outlets at the end of Q4	1,188	286	1,474

The aggregate proceeds from disposals are £ nil .

## Accounting Policies

Marston's PLC certifies that these financials comply with Generally Accepted Accounting Principles applied in the United Kingdom.

## Defaults

Marston's PLC certifies that no Loan Event of Default or Potential Loan Event of Default has occurred.

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