



**MARSTON'S PUBS LIMITED**

**Quarterly Investor Report  
For the Period ended 28 June 2008**

**This Interim Investor Report covers the results for Marston's Pubs Limited  
from 1 July 2007 to 28 June 2008**

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 amended and restated on 22 November 2007 and signed for the purposes of identification by Freshfields Bruckhaus Deringer and Linklaters shall bear the same meaning herein.

**Definitions:**

Q4 means the results for the Financial Quarter from 1 July to 29 September 2007  
 Q1 means the results for the Financial Quarter from 30 September to 29 December 2007  
 Q2 means the results for the Financial Quarter from 30 December 2007 to 29 March 2008  
 Q3 means the results for the Financial Quarter from 30 March to 28 June 2008

Interim Period and Relevant Period means Q2 + Q3; and  
 Relevant Year means Q4 + Q1 + Q2 + Q3

**Principal Debt Movements**

Principal Debt Movements on the Notes	Balance as at 30 March 2008 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 28 June 2008 £m
Aggregate principal amount outstanding at the Financial Quarter Date	1,106.3	(4.4)	-	1,101.9
Class A1 Notes	208.4	(3.0)	-	205.4
Class A2 Notes	214.0	-	-	214.0
Class A3 Notes	200.0	-	-	200.0
Class A4 Notes	248.9	(1.4)	-	247.5
Class AB1 Notes	80.0	-	-	80.0
Class B Notes	155.0	-	-	155.0

Principal Debt Movements on the Term Advance	Balance as at 30 March 2008 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 28 June 2008 £m
Aggregate principal amount outstanding at the Financial Quarter Date	1,106.3	(4.4)	-	1,101.9
A1 Term Advance	208.4	(3.0)	-	205.4
A2 Term Advance	214.0	-	-	214.0
A3 Term Advance	200.0	-	-	200.0
A4 Term Advance	248.9	(1.4)	-	247.5
AB1 Term Advance	80.0	-	-	80.0
B Term Advance	155.0	-	-	155.0

### Specific Trading Details

Turnover for the 13 weeks comprising Q3 was £92.6m giving a total during the Relevant Year of £345.9m. EBITDA for the quarter was £34.6m giving a cumulative total of £128.4m.

	Tenanted (Q3) £m	Managed (Q3) £m	Total (Q3) £m	Relevant Period (Q2 + Q3) £m	Relevant Year (Q4 + Q1 + Q2 + Q3) £m
Turnover	43.8	48.8	92.6	177.1	345.9
Operating expenses	23.5	39.2	62.7	120.9	235.7
Adjusted Operating Profit*	20.3	9.6	29.9	56.2	110.2
Operating Profit			27.1	50.8	107.1
EBITDA	22.4	12.2	34.6	65.8	128.4
Free Cash Flow			28.9	54.7	104.6
Debt Service			19.2	36.6	65.7

\* Before amortisation of goodwill

### Coverages and Covenants

FCF DSCR was 1.6 times and the EBITDA to Debt Service ratio was 2.0 times for the Relevant Year and 1.5 times and 1.8 times respectively for the Relevant Period. The Debt Service Covenant and Restricted Payment Condition were satisfied.

	Relevant Period (Q2 + Q3)	Relevant Year (Q4 + Q1 + Q2 + Q3)
Free Cash Flow: Debt Service	1.5 times	1.6 times
EBITDA: Debt Service	1.8 times	2.0 times
Debt Service covenant satisfied	Yes	Yes
Restricted Payment Condition satisfied	Yes	Yes

Net Worth as at 28 June 2008 was £532.6m. Restricted Payments of £14m were made in Q3 and £44m during the Relevant Year. The Restricted Payment Maximum at 28 June 2008 was £9.6m and no calculation of the Further Restricted Payment Maximum was required.

### Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure\* in the Relevant Year was £23.8m and the Relevant Period was £11.0m. The Required Maintenance Amount\* for the Relevant Year is £13.7m.

Capital Enhancement Expenditure of £3.9m was made in the Q3, £23.8m in the Relevant Year and £9.9m 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 28 June 2008 were as follows:

	£m
Borrower Transaction Account	(1.6)
Disposals Proceeds Account	5.4
Maintenance Reserve Account	-
All other Obligor Accounts	41.8

Amounts available under the Liquidity Facility were £120m. No amounts were drawn under this facility.

## Estate

	Tenanted Number	Managed Number	Total Number
Outlets at the beginning of Q2	1,622	285	1,907
Conversions from Managed to Tenanted	1	(1)	-
Conversion from Tenanted to Managed	-	-	-
Acquisitions and substitutions	-	-	-
Disposals	(8)	-	(8)
Closed	-	-	-
Outlets at the end of Q3	1,615	284	1,899

The aggregate proceeds from disposals are £3.2m.

## 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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