



MARSTON'S PUBS LIMITED

**Quarterly Investor Report
For the Period ended 31 March 2012**

**This Quarterly Investor Report covers the results for Marston's Pubs Limited
from 3 April 2011 to 31 March 2012**

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:

Q2 means the results for the Financial Quarter from 1 January 2012 to 31 March 2012
Q1 means the results for the Financial Quarter from 2 October 2011 to 31 December 2011
Q4 means the results for the Financial Quarter from 3 July 2011 to 1 October 2011
Q3 means the results for the Financial Quarter from 3 April 2011 to 2 July 2011

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

Principal Debt Movements

Principal Debt Movements on the Notes	Balance as at 1 January 2012 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 31 March 2012 £m
Aggregate principal amount outstanding at the Financial Quarter Date	1,034.5	(5.2)	-	1,029.3
Class A1 Notes	158.4	(3.6)	-	154.8
Class A2 Notes	214.0	-	-	214.0
Class A3 Notes	200.0	-	-	200.0
Class A4 Notes	227.1	(1.6)	-	225.5
Class AB1 Notes	80.0	-	-	80.0
Class B Notes	155.0	-	-	155.0

Principal Debt Movements on the Term Advance	Balance as at 1 January 2012 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 31 March 2012 £m
Aggregate principal amount outstanding at the Financial Quarter Date	1,034.5	(5.2)	-	1,029.3
A1 Term Advance	158.4	(3.6)	-	154.8
A2 Term Advance	214.0	-	-	214.0
A3 Term Advance	200.0	-	-	200.0
A4 Term Advance	227.1	(1.6)	-	225.5
AB1 Term Advance	80.0	-	-	80.0
B Term Advance	155.0	-	-	155.0

Specific Trading Details

Turnover for the 13 weeks comprising Q2 was £92.8m giving a total during the Relevant Year of £399.9m. EBITDA for the quarter was £31.7m giving a cumulative total of £131.0m.

	Tenanted (Q2) £m	Managed (Q2) £m	Total (Q2) £m	Relevant Period (Q2 + Q1) £m	Relevant Year (Q2+Q1+Q4+Q3) £m
Turnover	43.4	49.4	92.8	193.7	399.9
Operating expenses	27.2	38.9	66.1	141.3	288.1
Adjusted Operating Profit*	16.2	10.5	26.7	52.4	111.8
Operating Profit			24.0	47.0	100.7
EBITDA	18.7	13.0	31.7	62.2	131.0
Free Cash Flow			27.9	57.4	113.6
Debt Service			19.2	38.6	77.7

* Before amortisation of goodwill

Coverages and Covenants

FCF DSCR was 1.5 times and the EBITDA to Debt Service ratio was 1.7 times for the Relevant Year and 1.5 times and 1.6 times respectively for the Relevant Period. The Debt Service Covenant and Restricted Payment Condition were satisfied.

	Relevant Period (Q2 + Q1)	Relevant Year (Q2 + Q1 + Q4 + Q3)
Free Cash Flow: Debt Service	1.5 times	1.5 times
EBITDA: Debt Service	1.6 times	1.7 times
Debt Service Covenant satisfied	Yes	Yes
Restricted Payment Condition satisfied	Yes	Yes

Net Worth as at 31 March 2012 was £591.1m. Restricted Payments of £nil were made in Q2 and £10.0m during the Relevant Year. The Restricted Payment Maximum at 31 March 2012 was £9.4m and no calculation of the Further Restricted Payment Maximum was required.

Maintenance and Capital Enhancement

The cumulative Maintenance Expenditure* in the Relevant Year was £22.7m and the Relevant Period was £8.5m. The Required Maintenance Amount* for the Relevant Year was £16.6m.

Capital Enhancement Expenditure of £6.3m was made in Q2, £29.5m in the Relevant Year and £13.6m in the Relevant Period.

*Maintenance includes both capital items and items expensed through the profit and loss account.

Cash Balances

Balances on the following accounts at 31 March 2012 were as follows:

	£m
Borrower Transaction Account	13.0
Disposals Proceeds Account	2.8
Maintenance Reserve Account	-
All other Obligor Accounts	11.5

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	1,551	278	1,829
Conversions from Managed to Tenanted	-	-	-
Conversion from Tenanted to Managed	-	-	-
Acquisitions and substitutions	-	-	-
Disposals	(1)	-	(1)
Outlets at the end of Q2	1,550	278	1,828

The aggregate proceeds from disposals was £0.5m for the quarter.

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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