

WHITBREAD

Trading Statement

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Whitbread PLC
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WHITBREAD AGM TRADING STATEMENT

Whitbread PLC will today report a positive start to the year to its Annual General Meeting.

In the 13 weeks to 2 June 2005, excluding Premier Lodge, total sales for continuing Whitbread increased by 5.0% and including Premier Lodge by 14.1%. On a like for like basis, sales in continuing Whitbread increased by 1.0% against the strongest period last year. Including Marriott like for like sales were up by 1.5%

First Quarter SALES Trends

13 weeks to 2 June

	% change vs prior year	
	Like-for-Like	Total
Premier Travel Inn	8.2*	10.4*
Pub Restaurants	(1.0)	3.7
High Street Restaurants	(0.1)	5.5
David Lloyd Leisure	0.1	2.0
Continuing Whitbread	1.0	5.0

* Travel Inn only

Alan Parker, Chief Executive commented:

This has been a creditable performance in a challenging environment. Operating costs are being tightly controlled and the initial benefits of our previously

announced cost reduction programme are beginning to be realised.

Premier Travel Inn sales have been excellent, with an accelerating growth trend as the benefits of the completed integration programme have started to come through. Occupancy in the first quarter has been marginally down year on year but this has been more than offset by an uplift in achieved room rate due to mix and discount elimination in the Premier Lodge sites. With 29,000 bedrooms Premier Travel Inn is now the UK's largest hotel brand. Up to 1,800 rooms are due to be opened this year.

Sales in pub restaurants are 3.7% ahead of last year. However on a like for like basis the performance is disappointing particularly in Brewsters. All 142 Brewsters are being rebranded Brewsters Fayre during the first half of the financial year and 2,800 restaurant covers are to be added. With a new management team in pub restaurants now in place there is potential for improvement. A number of opportunities have been identified to drive volume although it will take several months for the results to show. In the first quarter three new Brewsters Fayres have been opened with 15 more to be added over the remainder of the year.

High street restaurants have seen total sales grow by 5.5%. Costa delivered good like for like sales. As the UK's fastest growing coffee shop chain Costa has opened 16 new sites in the UK in the first quarter with more than 70 planned by the end of the year and a further 30 internationally. TGI Friday's has repositioned its menu. This has resulted in like for like sales being marginally negative but cover volumes have increased by 8%. Four new TGI Friday's will open by the year-end. Pizza Hut has been affected by lower retail footfall but long-term prospects are sound and we will open 70 new units this year.

David Lloyd Leisure has seen total sales growth of 2.0% and like for like sales have held. Targeted marketing and a major service initiative have helped membership stabilise since the dip in the second half of last year. In line with our plans three new clubs will open at Kings Hill in Kent, Southend-on-Sea, Essex and in Barcelona, Spain.

Over the past year we have substantially reshaped Whitbread for the future and focused our strategy on our three core business areas. Our joint venture with Marriott is now established. The Marriott hotels have traded well over the first quarter with a 4.0% improvement in like for like sales. The process to dispose of properties in the joint venture has started and the level of interest received is encouraging. The sale of our German restaurants business has been completed.

We have recently made a return of £400m to shareholders and have undertaken to make further returns out of the already announced disposals. We have a clear commitment to review the efficiency of our capital structure and will continue to pursue a progressive dividend policy. Our key priority now is to restart like for like sales momentum in pub restaurants and David Lloyd and to further improve the profitability of our market leading hospitality business to the full benefit of our shareholders. Looking to the future the Board remains confident about prospects for Whitbread.

Lastly, our Chairman Sir John Banham is standing down and we would like to thank him for his guidance, enthusiasm and commitment to Whitbread, its people and

shareholders. He has been an outstanding Chairman and we wish him every success in the future.

Conference call for analysts and investors

Alan Parker and Christopher Rogers will be available for a conference call at 8am today (UK time). To participate, dial +44 (0) 20 7784 1014.

A recording of the conference call will be available for seven days. To listen, dial +44 (0) 20 7784 1024 and enter the passcode 5845070#.

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