

WHITBREAD

Trading Statement

Released : 01 March 2006

Whitbread PLC
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1st March 2006

Whitbread PLC Trading Statement

For the first 50 weeks of its financial year to 16 February 2006 total sales for continuing Whitbread have grown by 7.4%. Underlying total sales, excluding the Premier Lodge acquisition have grown by 3.2% and like for like sales are down 0.7%.

Sales for 50 weeks to 16 February 2006

	% change vs prior year	
	Like for like sales	Total sales
Premier Travel Inn	6.9	28.1
Pub Restaurants	(2.0)	1.2
High Street Restaurants	(3.7)	2.7
David Lloyd Leisure	(0.6)	2.7
Continuing Whitbread	(0.7)	7.4

Alan Parker, Chief Executive, Whitbread PLC, commented:

Since the last trading update the business has performed as expected and although the trading environment remains competitive we anticipate the outturn for the year will be in line with our expectations.

Premier Travel Inn continues to trade well and as part of our ongoing expansion plans I am pleased to announce that this week we have reached the 30,000 room milestone with the opening of Hammersmith Premier Travel Inn in London.

Previously trading as The Vencourt, a Best Western hotel, Whitbread took over the lease in October last year. We have subsequently refurbished the property to bring it up to Premier Travel Inn brand standards. We see significant growth potential through conversion opportunities such as this, and coupled with an aggressive organic pipeline we have set ourselves a new goal of 45,000 rooms in the UK by the end of 2010.

Pub Restaurants performance continues to disappoint although we are encouraged by consistent year on year covers growth on the back of the new pricing strategy in Beefeater. A new menu will be rolled out over the next two months across the Brewers Fayre estate offering better value meal deals.

The new management team at David Lloyd Leisure is making good progress. New member sales in UK like for like clubs for December and January together were over 20% higher than the previous year. Total membership is at an all time high of 364,000 members, retention is also showing improvement year on year and new clubs continue to do well.

Costa has performed strongly with total sales up by 12.8% year to date and like for like sales in the fourth quarter up 4.8%. We have opened over 140 new stores during the year including 50 internationally.

TGI Friday's and Pizza Hut continue to find conditions on the high street difficult.

In December the sale of our Britvic stake was completed realising £114 million for the Group which combined with special dividends received earlier in the year, results in an exceptional profit on disposal of some £140 million. Good progress continues to be made with the disposal of the Marriott hotel assets.

On 24th February, an EGM of the Whitbread Hotel Company Limited debenture holders approved the early redemption of the £10m 11.75% 2010 stock, the £25m 9.875% 2015 stock and the £80m 10.75% 2019 stock. This early redemption will result in a one off exceptional charge of £8 million in this year and in future will have a small positive impact on interest.

Conference call for analysts and investors

Alan Parker and Christopher Rogers will be available for a conference call at 8.30am today. To participate, dial +44 (0) 20 7138 0816

A recording of the conference call will be available for seven days. To listen, dial +44 (0) 20 7806 1970 and enter the passcode 8197453#. This service will be active approximately one hour after the conference call has finished.

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