

# WHITBREAD

## Whitbread AGM Trading Update

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Whitbread PLC  
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WHITBREAD AGM TRADING UPDATE

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

In the 13 weeks to 1st June 2006 total sales for Continuing Whitbread\* increased by 6.9% on the previous year, and like for like sales by 1.6%.

Sales for 13 weeks to 1st June 2006

	% change vs prior year	
	Like for like sales	Total sales
Premier Travel Inn	6.7%	13.7%
Pub Restaurants	(2.0%)	0.2%
David Lloyd Leisure	2.1%	6.1%
High Street Restaurants	1.9%	14.1%
Continuing Whitbread	1.6%	6.9%

Alan Parker, Chief Executive, Whitbread PLC comments:

"We are pleased to report that the year has started robustly with total sales showing growth of nearly 7% and three of our four major businesses generating positive like for like sales. This reflects a number of the structural and operational changes that we have made to our business to improve performance and create value.

Premier Travel Inn continues to perform well and David Lloyd Leisure is responding to the changes put in place last Autumn with an improved revenue performance. We are taking steps to turn round our retained Pub Restaurants business. In High Street Restaurants Costa has put in another good performance, while the TGI Fridays and Pizza Hut franchise businesses remain under review.

Following our announcement in April to focus our Pub Restaurants estate on those joint sites with a Premier Travel Inn, we are undertaking the disposal of 235 standalone Beefeater and Brewers Fayre pub restaurants. The sale process is progressing well and we have been encouraged by the high level of interest in these quality assets.

In our retained Pub Restaurant estate, the new management team is taking action to reduce overheads and is reviewing the operating plans for the co-located sites, with the focus being on driving the top line through covers growth. An update on these plans will be given at the half year.

Premier Travel Inn continues to grow sales through a mix of outstanding like for like sales performance and aggressive new room openings building towards our 45,000 rooms target by 2010. In the first quarter we have opened 1133 rooms

including eight hotel conversions; seven Holiday Inns and a hotel previously trading as a Days Inn.

David Lloyd Leisure's recent improvement in membership retention has been a key driver behind the like for like sales growth. Membership in like for like UK clubs was up by 1.8% over the same period last year and total membership including Continental Europe now stands at just under 374,000. We continue to develop initiatives to drive membership and improve site utilisation and a good example is the recently announced partnership with Saga aimed at the over 50s market.

Costa has had an impressive start to the year with 6.5% like for likes sales and total sales growth of 23.7% driven by 46 new openings. We have announced today our expansion plans into China with a joint venture partnership covering Shanghai and Eastern China.

At today's meeting, shareholders will vote on the method of returning £400m cash and a consequent share consolidation, which if approved, will give a choice as to how and when they receive the return.

Although the second quarter has started slowly the Board remains confident about the prospects for Whitbread as it continues to focus management and capital on those businesses in which the company has leading positions and strong growth prospects. Our key priorities remain to:

- execute our aggressive growth plans for Premier Travel Inn and Costa
- drive improved sales performance in the retained pub restaurant business
- build on the momentum of the turnaround in David Lloyd Leisure
- complete the sale of our standalone pub restaurant estate
- complete the review of our franchised restaurant brands

End

\* Sales of Continuing Whitbread comprise Premier Travel Inn, the total Pub Restaurant estate, David Lloyd Leisure, Costa and TGI Friday's but exclude the Pizza Hut joint venture and any supply chain sales to third parties.

Conference call for analysts and investors

Alan Parker and Christopher Rogers will be available for a conference call at 8.15 am today. To participate, dial +44 (0) 20 7138 0836

A recording of the conference call will be available for seven days. To listen, dial +44 (0) 20 7806 1970 and enter the passcode 5225347#. This service will be active approximately one hour after the conference call has finished.

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