

WHITBREAD

Trading Statement

Released : 29 August 2007

Whitbread PLC
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Whitbread PLC today reports a further improvement in performance for the 24 weeks ended 16 August 2007

Sales for 24 weeks to 16th August 2007.

	% change vs prior year	
	Like for like sales	Total
sales		
Premier Inn	11.0%	
14.5%		
Restaurants	2.0%	
3.5%		
Costa	7.2%	
23.5%		
Continuing Whitbread* at week 24	6.6%	
11.3%		
Continuing Whitbread at Week 13	5.6%	
9.8%		

Alan Parker, Chief Executive, Whitbread PLC comments:

"I am pleased to report that the Group has improved upon the performance of the 13 weeks to 31st May 2007 with all businesses reporting an increase in like for like and total sales growth. Total sales have grown 11.3% and like for like sales have grown by 6.6%.

Premier Inn continues to perform strongly with like for like occupancy at 82.1%,

1.3% pts better than last year. The UK expansion is in line with our plans with 40% of the additional rooms being built on Whitbread owned sites. We have also provided more focus to our international expansion plans with the appointments of a Group Development Director, Reas Kondraschow and Aly Shariff, the Managing Director of our recently announced Premier Inn joint venture in India.

The growth in Restaurants continues to pick up. As a result of the ongoing improvement in operating performance and the year on year reduction in discounts there has been an improvement in margins achieved with no price rises. With the remodelling of Beefeater now complete, our investment programme is primarily focused on the Brewers Fayre estate where we have remodelled 41 in the year to date. In addition 4 new Restaurants on joint sites have been added to the estate.

Costa's total sales increased substantially year on year driven by new store openings and the strong like for like sales performance. We have opened 76 UK stores (net of closures 63) in the year to date of which 27 were franchised. In August we opened our 600th UK store in Wimbledon. Costa's overseas expansion continues with 52 new stores (net of closures 42) opening, bringing the total to 217.

On 3rd August 2007 we announced that we had completed the sale of David Lloyd Leisure to Versailles Bidco Limited, a company owned by London and Regional Holdings Limited and Bank of Scotland for £925m. As previously stated we are initially using the proceeds to pay off debt.

It remains our intention to increase the leverage of the Group in line with the framework outlined with our preliminary results in April. Our plans to issue bonds secured on the hotel and restaurant assets are well advanced. However, given the current conditions in the debt markets we are considering with our advisers the most appropriate time to proceed. A further update will be given with the half-year results in October.

In the meantime, as part of our plan to increase the Group's leverage, we will today start an on market buyback programme. This buyback will be in line with our current shareholder authority, which allows us to buy back up to 10% of our issued share capital, and will be funded from existing facilities. At today's share price 10% of our issued share capital equates to just over £300m.

The positive trend in trading over the last year has continued. This reflects the strong brand propositions in our refocused group, investment in our businesses and the concentration on operating performance. The Board continues to be confident of the good growth prospects for the Group."

* Continuing Whitbread

Continuing Whitbread comprises Premier Inn, the retained Restaurant estate and Costa but excludes David Lloyd Leisure, the disposed restaurant sites, TGI Friday's and any supply chain sales to third parties.

End

Whitbread will announce its interim results on 16th October 2007 for the 26 weeks to 30th August 2007.

Conference call for analysts and investors

Alan Parker and Christopher Rogers will be hosting a conference call for analysts and investors at 8.30am today. To participate, dial +44 (0)20 7138 0837.

A recording of the conference call will be available for seven days. To listen, dial +44 (0)20 7806 1970 and enter the passcode 4827053#. This service will be active approximately one hour after the conference call has finished.

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Editor Notes:

1. Reas Kondraschow was previously Executive Vice President of International Development at Wyndham Hotel Group, based in the USA, where he oversaw the growth of Wyndham Hotels, Days Inn, Ramada and Howard Johnson. Reas has also held a number of senior positions with Marriott International, Holiday Inn Worldwide and Burger King.

2. Aly Shariff is a key member of the Premier Inn Executive Team with strategic involvement in the international development plans. He was the HR Director for Premier Inn and has held a number of senior positions within Whitbread. Prior to joining Whitbread he held a senior position with Singapore Airlines Ltd.

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