

# WHITBREAD

## Interim Management Statement

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### WHITBREAD AGM AND INTERIM MANAGEMENT STATEMENT

#### **STRONG START TO THE YEAR: TOTAL GROUP SALES INCREASE BY 13.5%**

Whitbread PLC, the UK's largest hotel and restaurant group, today reports its trading performance for the 13 weeks to 3<sup>rd</sup> June 2010 at its Annual General Meeting.

#### Sales for the 13 weeks to 3<sup>rd</sup> June 2010

	% change vs. prior year	
	Like for like sales* <sup>1</sup>	Total sales
Premier Inn	10.5%	14.1%
Pub Restaurants	3.6%	4.2%
Whitbread Hotels and Restaurants	7.4%	9.7%
Costa	8.5%* <sup>2</sup>	26.9%
<b>Total</b>	<b>7.6%</b>	<b>13.5%</b>

\*<sup>1</sup> UK and Ireland only

\*<sup>2</sup> Pre IFRIC 13 adjustment (see notes)

Alan Parker, Chief Executive of Whitbread PLC comments:

Whitbread has started the new financial year strongly, with continued momentum and good like for like sales. In the first quarter, total sales were up 13.5% and like for like sales were up 7.6%.

Premier Inn sales were up 14.1%, with like for likes up 10.5%. Like for like revenue per available room at Premier Inn was up 9.1% with occupancy of 75.7% achieved reflecting both an improvement in the market and a significant increase in share.

Our outperformance was driven by increased marketing and the full implementation of dynamic pricing with improved value for money awareness. Premier Offers, with rooms from £29 for leisure guests, has generated a significant increase in weekend occupancy. Business account sales revenue grew 21% to over £50 million with companies increasingly attracted by our high quality bedrooms at budget prices and our 100% Good Night Guarantee. In the quarter, we opened four new hotels with a total of 380 rooms, of which three are on joint sites with restaurants. Our secured pipeline of future new rooms now stands at over 11,000 including c.2,500 rooms planned to open in 2010/11.

Our restaurants - Beefeater, Brewers Fayre, Table Table and Taybarns -attracted a total of 5.2% more customers over the last three months continuing a two year underlying trend. Total sales were up by 4.2% and like for likes were up 3.6% as a result of the increasing competitiveness of our attractive price/value proposition.

Costa delivered another outstanding performance. Total sales were up 26.9% and like for likes rose by 8.5%. The Costa Coffee Club had a successful launch in March. There are now over two million card members accounting for over 40% of all transactions. Our high impact marketing campaign "7 out of 10 Coffee Lovers Prefer Costa" has been totally exonerated. The Advertising Standards Authority has not upheld our competitors' complaints.

Turnover in our UK and international franchise stores was up by 39.7% to £63.9 million. We opened a net total of 55 equity and franchise stores in the quarter, 24 in the UK and 31 internationally. We plan to open some 250 new stores during 2010/11.

We are pleased with Costa's first acquisition of 89 Coffeeheaven stores in Central Europe and its integration is going according to plan.

Our balance sheet is robust and remains underpinned by a strong freehold asset base. As we announced in our annual results in April, we have begun to look towards diversifying the sources and tenure of our debt during 2010-11.

Last year, we acted promptly to increase market share, reduce costs and conserve cash. The positive momentum generated by these decisive actions has continued into 2010/11. However, we are aware that comparables get more challenging as the year progresses and we are not planning on the consumer climate becoming any easier.

In these times of austerity, our strategy of value for money hospitality brands in growing segments of the market has put us in a position of relative strength. We intend to further increase our market share by improving occupancy in our hotels and customer volumes in our restaurants and coffee shops. Our longer term expansion will continue at a pace appropriate to our competitive performance and growth in the market. We will remain vigilant

on cost control and are currently planning to be broadly cash flow neutral this year. Whitbread has performed well in recession and is strongly placed for any recovery.

#### Like for like sales trend\*

	% Like for like sales change vs. Prior year				
	Q1	Q2	Q3	Q4	Q1 2010/11
	%	%	%	%	%
Premier Inn	(7.9)	(7.1)	(3.1)	2.0%	10.5%
Pub Restaurants	2.0	1.6	2.3	1.1%	3.6%
Whitbread Hotels and Restaurants	(3.7)	(3.6)	(1.0)	1.6%	7.4%
Costa	2.6	2.4	6.7	9.6%	8.5%
Total	(2.7)	(2.7)	0.3	3.1%	7.6%

End

\*UK & Ireland only

#### Notes:

##### Costa Coffee Club

On 4 March 2010 Costa in the UK launched its loyalty card which offers customers a loyalty incentive. UK sales reported in this trading statement exclude the effects of IFRIC13 "Customer Loyalty Programmes" which is a non cash adjustment that requires a change in the timing of revenue recognition in respect of loyalty incentives. IFRIC13 will be applied to our statutory sales as reported at the full and half year. We will continue to report like-for-like sales on a gross basis in our trading statements and other announcements. If IFRIC13 had been applied to the Costa sales reported then Like-for-Like sales would be 1.8% lower for the quarter.

##### Conference call for analysts and investors

Alan Parker and Christopher Rogers will be available for a conference call at 8.00am today. To participate, dial 0800 238 0673 and enter Conference ID: 82205484.

A recording of the conference call will be available until 28 June 2010. To listen, dial 0800 953 1533 and enter the passcode 82205484#. This service will be active approximately two hours after the conference call has finished.

Please dial into the call 10 minutes before to ensure you don't miss the start.

**For more information please contact:**

##### Investor Relations

Christopher Rogers, Whitbread PLC +44 (0) 20 7806 5491

**Press Contacts**

Tabitha Aldrich-Smith, Whitbread PLC +44 (0) 7887 767726  
Andrew Grant, Tulchan +44 (0) 20 7353 4200  
David Allchurch, Tulchan +44 (0) 20 7353 4200

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**Whitbread PLC** is the UK's largest hotel and restaurant group operating market-leading businesses in the budget hotels and restaurant sectors. Its well-loved brands are Premier Inn, Beefeater, Brewers Fayre, Table Table, Taybarns and Costa Coffee.

Whitbread PLC employs over 34,000 people and serves 10 million customers every month in over 2,000 outlets across the UK.

In the year ended 4 March 2010, Whitbread PLC reported a 7.5% increase in Group Revenue to £1,435.0 million and Underlying Profit before tax of £239.1 million up 6.6%.

Whitbread PLC is listed on the London Stock Exchange and is a constituent of the FTSE 100. It is also a member of the FTSE4Good Index.

This information is provided by RNS  
The company news service from the London Stock Exchange

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