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WHITBREAD ANNOUNCES COSTA ACQUISITION OF SOUTH CHINA JOINT VENTURE

10 October 2017: Whitbread PLC announces that Costa has acquired 49% of its South China Joint Venture from its JV partner, Yueda, for RMB 310 million (£35 million). This acquisition provides full ownership in this important growth market and is in line with Whitbread's strategy to focus on key international opportunities.

Costa currently owns 51% of the joint venture which operates 252 stores in the south of China, including 93 stores in Shanghai.

Alison Brittain, CEO of Whitbread comments: "One of our three key strategic priorities is to focus on our strengths to grow internationally and today's announcement marks a significant and exciting step in our ambitious growth plans for China. We have enjoyed an excellent partnership with Yueda over the past ten years together beginning to build the Costa brand in this key market.

"The coffee shop market in China is highly attractive, with a compelling opportunity for Costa to grow its presence over the longer term. This acquisition gives us full strategic and funding flexibility to unlock Costa's potential in China, providing a strong platform to facilitate future growth, enhance the customer experience and make Costa the coffee shop of choice in this fast-growing market.

"We remain fully committed to our strong partnership with BHG in Northern China and look forward to building our business with them in the years ahead."

The South China business will continue to be consolidated in Costa and Whitbread financial accounts.

The purchase is subject to final Government registration formalities, with the aim to complete the transaction as soon as practicable.

The existing Joint Venture in the north of China, which is a 50/50 JV with BHG is unaffected by this transaction.

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EDITORS NOTES

Costa operates 408 stores in China with 252 stores in the south of China and 156 in the north of China with JV partner, BHG.

Whitbread PLC is the owner of the UK's favourite hotel chain, Premier Inn and the UK's favourite coffee shop, Costa, as well as restaurant brands, Beefeater, Brewers Fayre and Table Table.

Whitbread is ranked no. 8 in the Sunday Times Best Big Companies to Work For list and employs around 50,000 people in over 2,300 outlets across the UK, serving over 28 million customers every month.

Whitbread has ambitious growth plans to increase the number of Premier Inn UK rooms to around 85,000 and to achieve global system sales of around £2.5bn for Costa by 2020.

At Whitbread we are committed to being a force for good in the communities in which we operate. Our Sustainability programme, 'Force for Good' is focused on enabling people to live and work well and is built around three pillars of Opportunity, Community and Responsibility.

In the year ended 2 March 2017 , Whitbread PLC reported an 8.2% increase in Group Revenue to £3.1 billion and Underlying Profit before tax of £565 million up 6.2%.

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
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