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Whitbread PLC
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Whitbread PLC announces the sale and leaseback of two primeLondon sites

Whitbread announces today it has completed two sale and leaseback transactions on prime London hotels. These transactions are in line with our property strategy to carry out modest sale and leasebacks in order to recycle capital into strong returning new growth opportunities, and are further evidence of how we optimise our significant property portfolio.

Whitbread has concluded with M&G Investments for the sale and leaseback of its 339 room hub by Premier Inn hotel in Tothill Street, Westminster due to open in October 2017, in exchange for a 25 year lease agreement. M&G Investments will pay £101.825 million in cash for the property, with an initial payment of £73.7 million on exchange, with a final balancing payment being made on completion of the hotel in October 2017.

Separately Whitbread has also concluded with Aviva Investors for the sale and leaseback of its 326 room Premier Inn in West Smithfield, Farringdon, due to open in December 2018, in exchange for a 25 year lease agreement. Aviva Investors will pay £102.86 million in cash for the property, with an initial payment of £66.0 million on exchange, with a final balancing payment being made on completion of the hotel in December 2018.

These deals have both been completed against a net initial yield of just under 4% against an annual rent of £4.20 million and £4.24 million respectively. Total proceeds from sale and leaseback transactions this year are now expected to be around £200 million.

Nicholas Cadbury, Group Finance Director of Whitbread PLC commented:

"Following the success of our forward funding deal of hub by Premier Inn at Kings Cross in July 2016, I am delighted to announce the sale and leaseback of two additional prime London sites in Tothill Street and West Smithfield. These agreements highlight the strength of Whitbread's covenant and the strong asset backing to our balance sheet and align with our property strategy to carry out modest sale and leaseback transactions to recycle capital into strong returning new growth opportunities in the UK and Germany."

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For photographs and video please visit our media library on www.whitbreadimages.co.uk

Notes to Editors

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 PLC employs 50,000 people in over 2,300* outlets across the UK, with its well-loved brands making every day experiences special for over 27 million UK customers every month.

Whitbread has outlined growth milestones for 2018 and 2020. The 2020 milestones are 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.

At Whitbread we are committed to being a force for good in the communities in which we operate. Our CR programme, 'Good Together' is focused on three pillars of Team & Communities, Customer Wellbeing and Energy & Environment.

In the year ended 3 March 2016, Whitbread PLC reported a 12.0% increase in Group Revenue to £2,921.8 million and Underlying Profit before tax of £546.3 million up 11.9%.

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.

*excludes Costa Franchise stores and Costa Express

This information is provided by RNS
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