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Whitbread PLC
21 June 2016

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WHITBREAD TRADING STATEMENT
Total sales up 8.0%

Whitbread PLC today reports its trading performance for the 13 weeks to 2 June 2016

Sales update (% change vs. prior year)

	Sales for the 13 weeks to 2 June 2016	
	Like for like sales[*1]	Total sales[*2]
Premier Inn	2.1%	8.0%
Restaurants	0.2%	1.4%
Hotels and Restaurants	1.5%	5.9%
Costa	2.6%	11.5%
Total	**1.8%**	**8.0%**

Whitbread Chief Executive, Alison Brittain said,

"Whitbread delivered total sales growth of 8.0% in the first quarter as we continue with a relentless focus on our customers, innovation and investing in our strong brands. Costa has started the year well and Premier Inn continues to win share, albeit in a weaker than expected hotel market.

Industry data has continued to show a soft hotel market in the UK, particularly in London. During the quarter Premier Inn grew total sales by 8.0% and like for like sales by 2.1%, which benefited from our substantial hotel extension programme. Against a strong comparator Premier Inn like for like revpar declined by 0.5% and total revpar declined by 1.2%. This reflects the market environment, the expected dilution of the impact of the extension programme and the c.3,600 new rooms added in the final quarter of last year, which will mature over the next few years. We are on plan to open 4,000-4,500 new hotel rooms in 2016/17.

Costa grew total sales by 11.5% with UK retail like for like sales growth recovering to 2.6%. We remain on plan to open 230-250 Costa stores worldwide and have increased our target to install at least 1,250 new Costa Express machines this year.

Although it is early in our new financial year and despite current market conditions, with the benefit of our cost efficiency programme we remain confident of making good progress for the full year."

Trading highlights for the 13 weeks:

Hotels and Restaurants

- In the quarter, Premier Inn grew total sales by 8.0 % and like for like sales by 2.1% benefitting from the extension programme.
- Like for like revpar for the quarter was down 0.5% impacted, as expected, by our substantial hotel extension programme and as stated above Premier Inn total revpar declined by 1.2%, with occupancy down 1.5% pts year on year to 79.1%. Revpar was up 1.2% for the total market[*3] and up 1.6% for the Midscale and Economy market[*3].
- In London Premier Inn grew total sales by 5.6% in the quarter. Premier Inn like for like revpar was down 3.0 % reflecting a soft market and the impact of our extension programme. Total revpar was down 6.0 %, diluted by the high number of rooms which were opened in the final quarter of last year. Revpar was down 1.6% for the total market[*3] and down 3.5% for the Midscale and Economy market[*3].
- In the regions Premier Inn grew total sales by 8.5%. Like for like revpar was up by 0.3 % again impacted by our hotel extension programme whilst total revpar was down 0.2 % again diluted by the number of rooms opened in the final quarter of last year. Revpar was up 3.2% for the total market[*3] and up 3.0% for the Midscale and Economy market[*3].
- Restaurants delivered total sales growth of 1.4% and like for like sales growth of 0.2%, slightly ahead of a soft pub restaurant market outside the M25.

Costa

- Costa had a good start to the year, growing total system sales by 11.4% to £414.3 million, 10.7% at constant currency). Within this, franchise system sales grew by 10.5% to £158.7 million.
- UK Retail system sales, grew by 11.4% to £226.5 million with equity stores growing like for like sales by 2.6%. We opened 35 net new UK stores.
- Costa Enterprises (including Costa Express UK & International) delivered system sales of £103.1 million, up 11.2%. Costa Express maintained its success installing a record 448 Costa Express machines*[5] in the quarter taking the total number of machines to 5,664.
- International system sales grew by 11.5% to £88.3 million (8.5% at constant currency). In China we remain excited about the long term growth opportunity although recently we have seen a tougher trading environment, due to a weaker Chinese economy. We opened 18 net new stores in the quarter with 11 in EMEI and 7 in Asia.

Group

· Our strong financial position remains unchanged.

Notes:

Site detail	3 March 2016	Opened	Closed	2 June 2016
Premier Inn UK*4	64,599	329		64,928
Premier Inn Germany	201			201
Premier Inn International	2,164	145		2,309
Total Premier Inn (rooms)	**66,964**	**474**		**67,438**
Restaurants (sites)	**409**	**2**		**411**
Costa Retail Equity	1,196	25	-13	1,208
Franchise	539	22		561
Costa Enterprises	299	3	-2	300
Total Costa UK Stores (Retail + Enterprises)	2,034	50	-15	2,069
Costa EMEI	838	27	-16	849
Costa Asia	405	17	-10	412
Total Costa (stores)	**3,277**	**94**	**-41**	**3,330**
Costa Express Machines*5	**5,216**	**448**		**5,664**
Total Equity	**1,342**	**29**	**-15**	**1,356**
Total JV	**383**	**14**	**-7**	**390**
Total Franchise	**1,552**	**51**	**-19**	**1,584**

*1 Like for like sales which are stated Pre IFRIC 13 adjustment are for Premier Inn - UK and Ireland and for Costa UK equity stores and Restaurants - UK. Post IFRIC 13 for the 13 weeks to 2 June 2016 Premier Inn like for like and total sales would be the same; Restaurants like for like sales would be 0.2% pts higher and growth in total sales 0.1% pt higher; Costa like for like sales would be 0.1% pt lower, growth in total sales would be the same and growth in total system sales the same.

*2 Premier Inn total sales include UK and International, all other Premier Inn numbers included in this statement relate to UK and Ireland only.

*3 Hotel market performance data collected by STR Global.

*4 Includes hub by Premier Inn.

*5 Costa Express machines installed means net machine installations.

Conference call for analysts and investors

Alison Brittain and Nicholas Cadbury will be available for a conference call at 7.45 am today.

To participate, dial 0800 6945707 and enter Conference ID: 23215181

For international participants dial +44 (0)1452 541003

A recording of the conference call will be available until the 4th July 2016. To listen, dial 0871 7000145 and enter the passcode 23215181. International +44 (0)1452 550000.

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:

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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, Table Table and Taybarns.

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
The company news service from the London Stock Exchange

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