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Whitbread PLC
25 February 2015

WHITBREAD TRADING UPDATE

Fourth quarter total sales growth of 14.3%
Expect to deliver full year results towards the top end of current expectations

Whitbread PLC today reports its trading performance for the 50 weeks to 12th February 2015.

Sales update (% change vs. prior year)

	Sales for the 11 weeks to 12th February 2015		**Sales for the 50 weeks to 12th February 2015**	
	Like for like sales[*1]	Total sales[*2]	Like for like sales[*1]	Total sales[*2]
Premier Inn	8.6%	16.5%	9.1%	15.2%
Restaurants	0.6%	1.6%	2.2%	3.0%
Hotels and Restaurants	5.4%	10.6%	6.6%	10.9%
Costa	6.9%	19.8%	6.0%	17.6%
Total	**5.8%**	**14.3%**	**6.5%**	**13.3%**

Andy Harrison, Chief Executive of Whitbread, comments:

"We have continued our strong trading momentum in the final quarter, with total sales growth of 14.3% and like for like sales growth of 5.8%. Premier Inn and Costa continue to grow rapidly, winning UK market share, with Premier Inn also benefitting from the recovery in the UK regional hotel market. With this strong performance we expect to deliver full year results towards the top end of current expectations.

In the final quarter Premier Inn grew its total sales by 16.5%, with like for like sales growth of 8.6%. Total revpar grew by 8.9% through an increase in occupancy of 3.0% pts to 71.1% and an increase in ARR of 4.3%. For the year to date we have combined record occupancy of 81.3%, up 3.3% pts on last year, with a 6.0% increase in rooms available. Our Restaurants grew total sales in the quarter by 1.6%, with good Christmas trading off-set by a softer January. Costa had an excellent fourth quarter with total sales growth of 19.8% and UK like for like sales[*1] growth of 6.9%. Our Christmas campaign was well received by customers, with like for like store transactions up 4.4% in the final quarter.

We are investing to improve our customer propositions even further and in our ambitious organic network expansion. This year we shall open close to 4,500 new UK rooms[*4] and c.230 net new Costa stores worldwide, with a further c.5,500 new UK rooms[*4] and c.250 net new Costa stores worldwide planned for the next financial year. We expect our capital investment for this year to be c.£575 million, growing to c.£700 million next year as we open more hotel rooms and invest in our freehold pipeline, particularly in London. This organic network growth and our strong return on capital should continue to create substantial shareholder value."

Trading highlights:

Hotels and Restaurants

- For the 50 weeks Premier Inn continued to win market share and grew total sales[*2] by 15.2%, total revpar by 8.7% and the total number of rooms available by 6.0%. Total occupancy grew by 3.3% pts to 81.3% and total room nights sold increased by 10.4% to 15.8 million.
- During the quarter Premier Inn grew total sales[*2] by 16.5%, with a 6.9% increase in the total number of rooms available and like for like sales growth of 8.6%. Total revpar grew by 8.9%, ARR by 4.3% and total occupancy was 71.1%, up 3.0% pts on last year.
- In London we grew total sales by 23.9% in the quarter, with a 20.9% increase in the number of rooms available, whilst maintaining strong occupancy at 77.6% and total revpar growth of 2.6%. The London hotel market[*3] total revpar grew by 5.6% and the Midscale and Economy sector grew by 7.8%.
- In the UK regions we grew total sales by 14.6% in the quarter, with a 5.0% increase in the number of rooms available, combined with total revpar growth of 9.0% and occupancy rising 3.1% pts to 70.1%. The regional hotel market[*3] total revpar grew by 10.0% and the Midscale and Economy sector grew by 12.3%.
- Our Restaurants performed well in the quarter, against a tough comparative, with like for like sales growth of 0.6% and like for like covers down 0.4%.
- For the full year we expect to open close to 4,500 new UK rooms, including our first hub by Premier Inn, which opened earlier this year. In 2015/16 we expect to open a further c.5,500 new UK rooms[*4]. Our committed UK pipeline remains strong at 12,816 rooms.

Costa

- Costa continues to perform strongly, growing total system sales in the 50 weeks by 16.2% to £1,340.5 million, (17.5% at constant currency). Within this, franchise sales were up 15.5% to £516.9 million (17.9% at constant currency).
- UK Retail system sales grew by 17.2% to £730.3 million, with equity stores delivering like for like sales growth of 6.0% powered by like for like store transaction growth of 4.6%.
- Costa Enterprises (including Costa Express) grew system sales to £331.9 million, up 19.4%.
- International system sales grew by 10.9% to £281.2 million (16.4% at constant currency), with growth of 6.5% (13.0% at constant currency) in EMEI and 20.3% (23.5% at constant currency) in Costa Asia.
- This year Costa will open around 230 net new stores, including c.180 in the UK and c.50 internationally, and add around 800 net Costa Express machines, taking the total to c.4,300. Next year we plan to open c.250 net new Costa stores worldwide and install around 800 Costa Express machines.

Group

- Our strong financial position remains unchanged.
- Our annual results for the year ended 26th February 2015, will be announced on 28th April 2015.

Notes:

Site detail	27th February 2014	Opened	Closed	Transfers	12th February 2015
Premier Inn UK*4	55,035	3,196	(257)		57,974
Premier Inn International	1,703	-	-		1,703
Total Premier Inn (rooms)	**56,738**	**3,196**	**(257)**		**59,677**
Restaurants (sites)	**401**	**3**	**-**		**404**
Costa Retail Equity	1,015	108	(28)	16	1,111
Franchise	382	75	(1)		456
Costa Enterprises	358	31	(17)	(16)	356
Total Costa UK Stores (Retail + Enterprises)	1,755	214	(46)	-	1,923
Costa EMEI	764	84	(70)		778
Costa Asia	342	47	(24)		365
Total Costa (stores)	**2,861**	**345**	**(140)**	**-**	**3,066**
Costa Express Machines*5	3,515	**757**			4,272
Total Equity	**1,141**	**118**	**(37)**	**16**	**1,238**
Total JV	**326**	**41**	**(22)**		**345**
Total Franchise	**1,394**	**186**	**(81)**	**(16)**	**1,483**

*1 Like for like sales which are stated Pre IFRIC 13 adjustment are for Premier Inn - UK and Ireland and for Costa equity stores and Restaurants - UK. Post IFRIC 13 for the 50 weeks to 12th February 2015 Premier Inn like for like sales would be the same and growth in total sales would be 0.1% pts lower; Restaurants like for like sales would be 0.3% pts higher and growth in total sales 0.3% pts higher; Costa like for like sales would be 0.1% pts lower, growth in total sales 0.1% pts higher and growth in total system 0.1% pts higher.

*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

Andy Harrison and Nicholas Cadbury will be available for a conference call at 8.00am today. To participate, dial 0800 694 0257 and enter Conference ID: 82443530

For international participants dial +44 (0) 1452 555 566

A recording of the conference call will be available until 10th March 2015. To listen, dial 08717 000 145 and enter the passcode 82443530. International +44 (0) 1452 550 000.

This service will be active approximately two hours after the conference call has finished.

Please dial into the call ten 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 45,000 people in over 2,000* outlets across the UK, with its well-loved brands making every day

experiences special for over 24 million UK customers every month.

Whitbread has outlined growth milestones for 2016 and 2018. The 2018 milestones are to increase the number of Premier Inn UK rooms to around 75,000 and to achieve global system sales of around £2bn 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 the three pillars of Team & Communities, Customer Wellbeing and Energy & Environment.

In the year ended 27th February 2014, Whitbread PLC reported a 13.0% increase in Group Revenue to £2,294.3 million and Underlying Profit before tax of £411.8 million up 16.5%.

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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