RNS Number : 4482Z
Whitbread PLC
11 December 2014

**WHITBREAD INTERIM MANAGEMENT STATEMENT**

**Total sales growth of 13.0%**
**On track to deliver full year results in line with expectations**

Whitbread PLC today reports its trading performance to 27th November 2014.

**Sales update** (% change vs. prior year)

| | **Sales for the 13 weeks to 27th November 2014** | | **Sales for the 39 weeks to 27th November 2014** | |
|---|---|---|---|---|
| | Like for like sales*[1] | Total sales | Like for like sales*[1] | Total sales |
| Premier Inn | 8.5% | 15.4% | 9.2% | 14.9% |
| Restaurants | 1.6% | 2.3% | 2.6% | 3.3% |
| Hotels and Restaurants | 6.3% | 11.1% | 6.9% | 11.0% |
| Costa | 5.2% | 17.0% | 5.8% | 16.9% |
| **Total** | **6.0%** | **13.2%** | **6.7%** | **13.0%** |

Andy Harrison, Chief Executive of Whitbread, comments:

"As we said in our interim results on 21st October, our strong trading momentum has continued into the third quarter, with total sales growing by 13.2% and like for like sales up 6.0%. We remain confident of delivering full year results in line with expectations, mindful that the fourth quarter last year was particularly strong, boosted by the absence of snow.

In the quarter, Premier Inn grew total sales*[2] by 15.4% and like for like sales by 8.5%, with rooms available growing by 6.2%, total revpar up 8.6% and occupancy up 2.6% pts to 84.8%. Our Restaurants continue to perform well and like for like sales grew by 1.6%. Costa once again extended its excellent track record, with total sales growth of 17.0% and UK like for like sales growth of 5.2%.

Our strong brands continue to win market share, reinforced by our ambitious organic network expansion. We remain on track to open around 4,500 new Premier Inn UK rooms and around 230 net new Costa stores worldwide this year. Our committed UK room pipeline stands at around 12,400 new rooms, with a number of attractive London freehold opportunities at various stages of negotiation."

Trading highlights:

**Hotels and Restaurants**

- For the 39 weeks Premier Inn has continued to win market share and grew total sales*[2] by 14.9%, total revpar by 8.7% and the total number of rooms available by 5.8%. Total occupancy grew by 3.3% pts to a high of 84.2% and total room nights sold increased by 10.1% to 12.7 million.
- In London we grew total sales by 17.2% in the quarter, with a 14.8% increase in the number of rooms available, whilst maintaining strong occupancy at 89.0% with total revpar growth of 2.0%. The London hotel market*[3] total revpar grew by 1.8% and the Midscale and Economy sector*[3] grew by 7.2%.
- In the UK regions we grew total sales by 14.8% in the quarter, with a 5.1% increase in the number of rooms available, combined with total revpar growth of 9.3% and occupancy rising 2.9% pts to 84.2%. The regional hotel market*[3] total revpar grew by 10.8% and the Midscale and Economy sector*[3] grew by 13.4%.
- Restaurants delivered a solid performance in the quarter, with like for like sales growth of 1.6% and like for like covers marginally down by 0.2%.
- 2,177 UK*[4] rooms have been opened in the year to date, including our first hub by Premier Inn, and for the full year we plan to open around 4,500 new UK rooms and five joint site restaurants. Our committed UK pipeline now stands at around 12,400 rooms.

**Costa**

- Costa continues to perform strongly, growing total system sales in the 39 weeks by 15.9% to £1,022.0 million, (17.5% at constant currency). Within this, franchise sales were up 14.7% to £398.1 million.
- UK Retail system sales grew by 16.7% to £552.5 million, with equity stores delivering like for like sales growth of 5.8%. We have opened 127 net new UK stores in the year to date.
- Costa Enterprises (including Costa Express) grew system sales to £258.3 million, up 19.3%.
- International system sales grew by 10.7% to £213.5 million (18.3% at constant currency), with a growth of 6.8% (14.8% at constant currency) in EMEI and 18.9% (25.6% at constant currency) in Costa Asia.

· We plan to open around 230 net new stores worldwide and to install around 800 Costa Express units in the full year.

**Group**
Our strong financial position remains unchanged. With the strength of Premier Inn's performance, the exciting new hub by Premier Inn and our strong balance sheet, we are continuing to see a number of attractive London freehold opportunities which are at various stages of negotiation. The successful completion of these would result in our capital investment for the full year increasing to around £575 million. These freehold properties replace leasehold opportunities, and exchange off balance sheet lease liabilities for on balance sheet debt. They also reduce business risk, increase flexibility and capture property appreciation.

**Notes:**

| Site detail | 27th February 2014 | Opened | Closed | 27th November 2014 |
|---|---|---|---|---|
| Premier Inn UK*4 | 55,035 | 2,177 | (256) | 56,956 |
| Premier Inn International | 1,703 | - | - | 1,703 |
| **Total Premier Inn (rooms)** | **56,738** | **2,177** | **(256)** | **58,659** |
| **Restaurants (sites)** | **401** | **1** | **-** | **402** |
| Costa Retail Equity | 1,015 | 84 | (21) | 1,078 |
| Franchise | 382 | 57 | (1) | 438 |
| Costa Enterprises | 358 | 25 | (17) | 366 |
| Total Costa UK Stores (Retail + Enterprises) | 1,755 | 166 | (39) | 1,882 |
| Costa EMEI | 764 | 62 | (61) | 765 |
| Costa Asia | 342 | 39 | (22) | 359 |
| **Total Costa (stores)** | **2,861** | **267** | **(122)** | **3,006** |
| **Costa Express Machines***5 | 3,515 | **623** | - | 4,138 |
| **Total Equity** | **1,141** | **88** | **(28)** | **1,201** |
| **Total JV** | **326** | **33** | **(20)** | **339** |
| **Total Franchise** | **1,394** | **146** | **(74)** | **1,466** |

*1 Like for like sales are stated Pre IFRIC 13 adjustment for Premier Inn - UK and Ireland, Costa equity stores and Restaurants - UK. Post IFRIC 13 for the 39 weeks to 27th November 2014 Premier Inn like for like sales would be the same and total sales the same. Restaurant like for like sales would be 0.5% higher and total sales 0.5% higher. Costa like for like sales would be 0.2% lower, total sales 0.1% higher and 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 unless otherwise stated.

*3 Hotel market performance data collected by STR Global.

*4 Includes hub by Premier Inn.

*5 Costa Express machines installed represent 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: 39690664

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

A recording of the conference call will be available until the 25th December 2014. To listen, dial 08717 000 145 and enter the passcode 39690664. 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 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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