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Whitbread PLC
17 June 2014

WHITBREAD INTERIM MANAGEMENT STATEMENT

STRONG FIRST QUARTER: TOTAL SALES UP 12.7%

Whitbread PLC, the UK's largest hotel and restaurant group, today reports its trading performance for the 13 weeks to 29th May 2014.

Sales update (% change vs. prior year)

	Sales for the 13 weeks to 29th May 2014	
	Like for like sales*[1]	Total sales
Premier Inn	9.5%	14.2%
Restaurants	4.4%	5.4%
Hotels and Restaurants	7.6%	11.0%
Costa	4.5%	15.9%
Total	**6.9%**	**12.7%**

Andy Harrison, Chief Executive of Whitbread comments:

"Whitbread has started the year well, with total sales growth for the first quarter of 12.7% and strong like for like sales growth of 6.9%, as anticipated at our Annual Results announcement on 29th April.

Premier Inn and Costa have continued on their rapid growth trajectory, underpinned by strong customer demand. Premier Inn grew total sales*[2] by 14.2%, with like for like sales growth of 9.5%, benefitting from a buoyant hotel market driven by continuing growth in London and clearer signs of economic recovery in the UK regions. Premier Inn grew total revpar by 8.8%, with 3.6% growth in London and 9.9% growth in the UK regions. Total occupancy rose by 4.2% pts to 80.7%. Our Restaurants business also performed well with like for like sales growth of 4.4%, outperforming the industry benchmark*[3], which was boosted by soft comparatives due to cold weather in Q1 last year. Costa once again extended its excellent track record, with total sales growth of 15.9% and like for like sales growth of 4.5%, against demanding comparatives from last year.

Whitbread is well positioned for another good year with our strong brands continuing to win market share, reinforced by ambitious organic network expansion. We currently have 43 new Premier Inn hotels under construction in the UK and expect to open around 4,500 new rooms this year, together with five joint site restaurants. Costa will open around 300 net new stores this year."

Trading highlights for the 13 weeks:

Hotels and Restaurants

- Premier Inn has continued to win market share, growing total sales*[2] for the 13 weeks by 14.2%, total revpar by 8.8% and total room nights sold by 11.2% to four million. Total occupancy was 80.7%, up 4.2% pts on last year and the number of rooms available increased by 5.5%.
- In a buoyant London market we grew total sales by 10.4% in the quarter with a 7.6% increase in the number of rooms available. Our total revpar grew by 3.6% with occupancy remaining high at 86.1%. For the London hotel market*[4] total revpar grew by 3.6% in the quarter, and for the Midscale and Economy*[4] sector it grew by 8.7%.
- In the UK regions our total sales grew by 15.3% in the quarter, with a 5.2% increase in the number of rooms available. Our total revpar was up 9.9% with occupancy at 80.0%, up 4.9% pts. For the regional hotel market*[4] total revpar grew by 9.2%, and by 13.9% for the Midscale and Economy*[4] sector.
- Restaurants delivered a good performance in the quarter, as well as benefitting from favourable weather comparatives, with like for like sales growth of 4.4% and like for like covers up 2.6%.
- 208 UK rooms were opened in the quarter and for the full year we plan to open around 4,500 UK rooms and five joint site restaurants.

Costa

- Costa grew worldwide system sales by 14.6% to £323.0 million and within this franchise system sales grew by 13.1% to £126.5 million.
- UK Retail system sales grew by 15.2% to £174.4 million, with equity stores delivering like for like sales growth of 4.5%. We opened 36 net new UK stores in the quarter.
- Costa Enterprises (including Costa Express) delivered system sales of £79.5 million, up 18.5%. There are now 3,729 Costa Express units.
- International system sales grew by 9.1% to £69.1 million, with growth of 4.2% in EMEI and 24.0% in Costa Asia.
- We plan to open around 300 net new stores and 600 Costa Express units in the full year.

Group

The strong financial position of the Group remains unchanged. At our full year results in April 2014 we expected capital expenditure of £360 million for 2014/15. Since then we have acquired two additional freehold properties in London and now anticipate capital expenditure to be over £400 million. We continue to see opportunities for further attractive freehold acquisitions.

Notes:

Site detail	27th February 2014	Opened	Closed	29th May 2014
Premier Inn UK	55,035	208	(1)	55,242
Premier Inn Int'l	1,703	-	-	1,703
Total Premier Inn (rooms)	**56,738**	**208**	**(1)**	**56,945**
Restaurants (sites)	**401**	**-**	**-**	**401**
Costa Retail Equity	1,015	21	(5)	1,031
Franchise	382	21		403
Costa Enterprises	358	9	(10)	357
Total Costa UK Stores (Retail + Enterprises)	1,755	51	(15)	1,791
Costa EMEI	764	22	(36)	750
Costa Asia	342	14	(4)	352
Total Costa (stores)	**2,861**	**87**	**(55)**	**2,893**
Costa Express Machines[*5]	**3,515**	214	-	3,729
Total Equity	**1,141**	**22**	**(11)**	**1,152**
Total JV	**326**	**12**	**(4)**	**334**
Total Franchise	**1,394**	**53**	**(40)**	**1,407**

[*1] Like for like sales stated Pre IFRIC 13 adjustment for Premier Inn - UK and Ireland, Costa and Restaurants - UK. Post IFRIC 13 for the 13 weeks to 29th May 2014 Premier Inn like for like sales would be 0.1% higher and total sales 0.1% higher. Restaurant like for like sales would be 0.5% higher and total sales 0.5% higher. Costa like for like sales would be 0.1% lower, total sales 0.1% higher and total system sales the same.

[*2] Premier Inn total sales include UK & International; all other Premier Inn numbers included in this statement relate to UK & Ireland only unless otherwise stated.

[*3] Coffer Peach Tracker outside of the M25

[*4] Hotel market performance data collected by STR Global.

[*5] Costa Express machines opened represent net machine openings.

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 6940 257 and enter Conference ID: 56389413. International participants dial +44 (0) 1452 555 566

A recording of the conference call will be available until 1st July 2014. To listen, dial 08717 000 145 and enter the passcode 56389413. 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 43,000 people in over 2,000* outlets across the UK, with its well-loved brands making every day experiences special for over 22 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 double the size of Costa with global system sales of around £2bn.

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 27 February 2014, Whitbread PLC reported a 13.0% increase in Group Revenue to £2,294 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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