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Whitbread PLC
27 February 2014

WHITBREAD TRADING UPDATE

Double digit sales growth
On track to deliver full year results towards the top end of current expectations

Whitbread PLC today reports its trading performance for the 50 weeks to 13th February 2014.

Sales update (% change vs. prior year)

	Sales for the 11 weeks to 13th February 2014		**Sales for the 50 weeks to 13th February 2014**	
	Like for like sales*1	Total sales*2	Like for like sales*1	Total sales*2
Premier Inn	8.3%	15.2%	4.7%	13.3%
Restaurants	4.4%	5.8%	1.3%	3.7%
Hotels and Restaurants	6.6%	11.4%	3.4%	9.8%
Costa	7.3%	18.2%	5.8%	20.1%
Total	**6.8%**	**14.0%**	**4.0%**	**13.2%**

Andy Harrison, Chief Executive of Whitbread, comments:

"Whitbread delivered a strong fourth quarter, with total sales growth of 14.0% and like for like sales growth of 6.8%, driven by a particularly good Christmas trading period and, to a lesser extent, favourable weather comparatives in January.

Premier Inn grew total sales*2 by 15.2% and like for like sales by 8.3% in the fourth quarter, with a 5.7% increase in rooms available. We grew total revpar in London and the UK Regions by 7.0% and 9.6% respectively. We continue to invest in our product quality and the Premier Inn brand with the launch of "our best ever bed" campaign. This is a central pillar of our enhanced refurbishment programme. The performance of Whitbread Restaurants continued to improve and benefitted from the absence of snow with like for like sales growth of 4.4% in the quarter. We welcomed some 92,000 guests to our restaurants on Christmas Day with sales up 5.8%.

Costa had an excellent fourth quarter with total sales growth of 18.2%, driven by 312 net new store openings in the year and 7.3% UK like for like sales growth. Our Christmas campaign was well received, with like for like store transactions up 6.1% in the quarter.

The strong fourth quarter brings our year to date growth in total sales to 13.2% and like for like sales growth to 4.0%. This puts us on track to deliver full year results towards the top end of current expectations."

Trading highlights:

Hotels and Restaurants

- Premier Inn has continued to win market share, growing total sales*2 for the 50 weeks by 13.3%, total revpar by 5.1% and total room nights sold by 9.7% to 14.3 million. Total occupancy was 78.0%, up 1.5% pts on last year.
- During the quarter, Premier Inn grew total sales*2 by 15.2%, with a 5.7% increase in the total number of rooms available and like for like sales growth of 8.3%. Total revpar grew by 9.6% and total occupancy was 68.1%, up 2.5% pts on last year.
- In a strong London market, we grew total sales by 17.0% in the quarter with a 10.7% increase in the number of rooms available. Total revpar grew by 7.0% with occupancy at 76.5%, up 1.5% pts on last year. The Midscale and Economy London competitive set*3 grew total revpar by 11.6%.
- In the UK regions, our total sales grew by 14.3% in the quarter, with a 5.1% increase in the number of rooms available. Total revpar was up 9.6% with occupancy at 67.1%, up 2.6% pts. The Midscale and Economy regional competitive set*3 grew total revpar by 14.5%.
- We announced during the year our enhanced room refurbishment programme and, as a consequence, have reduced the expected average life of a room from 15 to 12 years. This will increase our depreciation charge by around £6 million for this year and next.
- Restaurants delivered a good performance over the fourth quarter and benefitted from the favourable weather comparatives with like for like sales growth of 4.4% and covers up 3.7%.
- For the full year we will open around 3,500 new rooms and approximately 4,500 new rooms in 2014/15. Our committed UK pipeline remains strong at 10,500 rooms.

Costa

- Costa continued to perform strongly, growing total system sales in the 50 weeks by 19.2% to £1,151.8 million. Within this, franchise sales were up 16.8% to £447.6 million.
- UK Retail system sales grew by 17.6% to £622.9 million, with equity stores delivering like for like sales growth of 5.8%.
- Costa Enterprises grew system sales to £276.5 million, up 22.6%.
- EMEI system sales grew by 11.1% to £183.9 million. We have now opened four equity stores in Paris in addition to the two existing franchised stores in France.
- Costa Asia system sales grew by 49.7% to £68.4 million.
- Costa has opened 312 net new stores including 167 in the UK and 145 internationally and added 918 net Costa Express machines taking the total to 3,478. Next year we plan to open a broadly similar number of stores and install around 600 Costa Express units.

Group

- The Group remains in a strong financial position. We have signed an amendment to our £650 million syndicated bank facility, extending its maturity by two years to 4 November 2018 and introducing an option to extend it by a further two years beyond that date, with the consent of the banks at the time.

Notes:

Site detail		28th February 2013	Opened	Closed / Transferred	13th February 2014
Premier Inn UK		51,671	2,912	(94)	54,489
Premier Inn Int'l		1,296	409	(2)	1,703
Total Premier Inn (rooms)		**52,967**	**3,321**	**(96)**	**56,192**
Restaurants (sites)		**397**	**6**	**(4)**	**399**
Costa Retail	Equity	920	111	(19)	1,012
	Franchise	324	55	(1)	378
Costa Enterprises		334	23	(2)	355
Total Costa UK Stores (Retail + Enterprise)		**1,578**	**189**	**(22)**	**1,745**
Costa EMEI		692	106	(46)	752
Costa Asia		257	100	(15)	342
Total Costa (stores)		**2,527**	**395**	**(83)**	**2,839**
Costa Express Machines		**2,560**	**1,097**	**(179)**	**3,478**
Total Equity		**1,048**	**124**	**(34)**	**1,138**
Total JV		**253**	**88**	**(15)**	**326**
Total Franchise		**1,226**	**183**	**(34)**	**1,375**

*[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 50 weeks to 13th February 2014 Premier Inn like for like sales would be 0.1% lower and total sales 0.1% lower. Restaurant like for like sales would be the same and total sales the same. Costa like for like sales would be 0.3% lower, total sales 0.1% lower and total system sales 0.1% lower.

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

*[3] Hotel market performance data collected by STR Global for the UK Midscale and Economy segment comprising of on average 126,250 daily participants.

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 0738 965 and enter Conference ID: 1288174

For international participants dial +44 (0) 1452 560 304

A recording of the conference call will be available until the 11th March 2014. To listen, dial 08717 000 145 and enter the passcode 1288174. 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 PLCis 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 £2bn.

In the year ended 28 February 2013, Whitbread PLC reported a 14.2% increase in Group Revenue to £2,030 million and Underlying Profit before tax of £356.5 million up 11.4%.

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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