

Enterprise Inns plc

AGM STATEMENT

At the AGM to be held today at 11.00 am, Hubert Reid, Chairman of Enterprise Inns plc will make the following comments with regards to trading and the business since the start of the financial year, 1 October 2005:

“Our strategy continues to focus upon building long term value for shareholders through the ongoing development and improvement of our licensed estate and the optimal use of the strong cash flow generated by the business.

Last year we effectively integrated the Unique estate and dealt with the additional workload imposed by licensing reform. The priority for the current year is to build upon that success, seeking to ensure that our pubs continue to offer the best possible opportunities for our licensees to grow profits in a market which is likely to remain challenging.

We continue to work with our colleagues across the leisure industry to make constructive recommendations to Government in respect of their proposals to ban smoking in public places. Any regulations must be clear, workable and fair to all operators, employees and consumers and our strong preference remains the provision of clearly defined and segregated smoking rooms, allowing choice for smokers and non smokers alike, whilst providing proper protection for employees.

If a total ban is inevitable, then it should be imposed across the board, including 20,000 private members clubs, in order to create a level playing field for all those employed or operating within the hospitality and leisure industry. Furthermore, whatever legislation is proposed, it should be introduced to a realistic timetable which allows business and consumers alike to prepare for such a change.

Thanks to the hard work and commitment of our licensees and driven by the continuing improvements to the quality of our pubs, our business performed well in the first quarter, both in the run up to Christmas and the New Year and also in the critical restocking period at the beginning of January, with both earnings and cash generation in line with our expectations.

We have made good progress with the share buy back programme that we announced in November and to date we have purchased 6.7 million shares at an average price of £9.04 per share, in line with our intention to return at least £200 million in the current financial year.”

Enquiries:

Enterprise Inns plc

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