

8 August 2013

**Enterprise Inns plc**  
**Interim Management Statement**

Enterprise Inns plc (ETI) publishes its Interim Management Statement for the 44 weeks to 3 August 2013.

**Operating performance**

After a difficult first half of the year during which like-for-like net income declined by 4.2%, we have seen an improving trend in performance in the second half with like-for-like net income for the total estate down by 2.7% in the 18 weeks to 3 August 2013. Encouragingly, the first five weeks of our final quarter have seen like-for-like net income growth.

In the first half of the year our income was adversely impacted by some exceptionally poor winter weather alongside the cessation of trading of Waverley, our wines and spirits distributor. In the third quarter we have faced tough comparatives against the prior year due to the timing of Easter and the positive impact from the Euro 2012 football championship and the Queen's Diamond Jubilee celebrations.

After taking account of these unusual events we estimate that our underlying like-for-like net income in the first half was down by around 2% and has improved in the second half to date to be down by approximately 1%.

Key to sustaining our improved performance in like-for-like net income is the successful execution of our many operational activities. The rate of business failures continues to fall and we are making good progress with the roll out of new services to our publicans such as the deployment of free Wifi, the provision of improved food pricing and support and the availability of discounted Sky entertainment packages. We are also maintaining our investment in the estate including the completion of 656 exterior redecorations, many of which have been completed during June and July.

**Cash flow and balance sheet**

Our asset disposal programme remains on target and as at 3 August 2013 we have completed, exchanged or have in the hands of solicitors disposals of 356 pubs with proceeds of £127 million. We expect total disposal proceeds for the full year to be in the region of £150 million.

Asset disposals combined with cash generated from operations fund the investment in the core estate and continue to reduce bank debt. We are pleased to report that our drawn bank borrowings net of cash are now at £217 million, already below the level of the new bank facility of £220 million which commences on expiration of the existing facilities on 15 December 2013. Our debt reduction strategy remains on track and we anticipate total net debt being reduced to £2.5 billion by the year end.

**Current trading and outlook**

We are focused on delivering sustainable growth in like-for-like net income across the total estate, driven by constantly improving the quality of our pubs, attracting and retaining the best publicans and providing exceptional business building support. Trading performance continues to improve and, whilst we are unlikely to deliver like-for-like growth for the second half in total, like-for-like growth remains our target for the final quarter.

### **Forthcoming events**

2013 Preliminary results	19 November 2013
2014 AGM	6 February 2014
2014 Interim results	13 May 2014

### **Analyst conference call:**

9.00am BST    Tel +44 (0)20 3139 4830 / Pin code: 22515160#  
Replay:        Tel +44 (0)20 3426 2807 / Conference code: 640441#

### **Enquiries**

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### **Forward-looking statements**

This report contains certain statements about the future outlook for ETI. Although we believe our expectations are based on reasonable assumptions, any statements about future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.