

6 August 2015

## **Enterprise Inns plc**

### **Trading and strategy update**

#### **Encouraging trading with like-for-like net income growth continuing. Implementation of strategic plan on track**

Enterprise Inns plc (ETI) publishes its scheduled trading update for the 44 weeks to 1 August 2015 and also provides an update on the progress made with regard to the implementation of its strategic plan.

#### **Trading performance**

Our trading performance continues to be encouraging and in line with our expectations with total leased and tenanted estate like-for-like net income for the 44 weeks to 1 August 2015 growing by 0.6%.

We were particularly pleased to deliver our eighth consecutive quarter of growth in the third quarter ended 27 June 2015 with like-for-like net income increasing by 0.5% despite the comparative period benefiting from the enhanced trading of the FIFA World Cup. This performance has been achieved through a continued stabilisation of rental income and growing income from beer sales as favourable weather and improving consumer confidence have provided supportive retailing conditions for many of our publicans.

#### **Strategy implementation**

The execution of our strategic plan for the business, announced on 12 May 2015, is on track. Delivery of this plan will ensure we can best serve our publicans and communities whilst providing a clear path to maximising shareholder value through the optimisation of returns from every asset within our estate.

##### *Reinvigorated tied tenancy business*

Our leased and tenanted business is performing well as we enhance the provision of operational support and commercial benefits to our publicans to help them grow their businesses. This support has contributed to the delivery of a further decline in the level of business failures, down 23% on the previous year, demonstrating growing stability across the estate.

##### *Expanded managed business*

We have increased the total number of managed pubs trading under our Bermondsey and Craft Union operations from 16, at 12 May 2015, to 22 and we will open our first Managed Expert pub in September. We are on track to have 30 managed houses operational by 30 September 2015.

##### *Quality commercial property portfolio*

Our portfolio of quality commercial properties continues to grow as planned. We have increased the portfolio from 185 properties, at 12 May 2015, to 206 properties and have increased the average annualised rental income from £53,000 to £55,000.

### *Capital investment and disposals*

In line with previous guidance we are on track to invest around £70 million across the total estate with some 43% of investment directed towards income growth opportunities. Disposal plans also remain in line with our expectations to deliver £75 million of proceeds for the full year.

### *Enhancing our team*

We have made good progress building a team with the capabilities and experience required to deliver our strategic goals. We are actively recruiting people to fill a number of additional senior roles and are pleased already to have appointed Karen Baskett, Operations Director, Bermondsey Pub Company (formerly with Mitchells & Butlers), Miles Selby, Procurement Director (formerly with Wells & Young's and J D Wetherspoon) and Simon Glucina, Change Programme Director (formerly with LEK Consulting).

Simon Townsend, Chief Executive Officer, commented:

"We are focused upon the successful execution of our strategic plans. The first priority is to ensure that our reinvigorated tied tenancy business continues to perform well. It is pleasing to have maintained our growth momentum with like-for-like net income growth achieved for our eighth consecutive quarter.

Trading performance is on track to be in line with our expectations for the full financial year.

We have made good progress increasing the number of managed pubs in the estate and growing our portfolio of commercial properties. We are continuing to invest in the estate and to support our publicans. We expect to make further progress on the delivery of our strategic initiatives in the coming months and will be providing a further update when we present our preliminary results in November."

### **Forthcoming events:**

Preliminary results:	17 November 2015
AGM:	11 February 2016
Interim Results:	17 May 2016

### **Enquiries:**

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### **Forward-looking statements**

This announcement 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.