17th January 2008

Enterprise Inns plc

Interim Management Statement

Enterprise Inns plc (ETI) publishes its interim management statement for the 15 weeks to 12th January 2008, to coincide with its Annual General Meeting to be held at 11.00am today.

ETI's business model remains robust, despite the difficult trading conditions which it predicted at the time of its preliminary announcement in November 2007, with EBITDA running broadly in line with the same period last year and earnings per share ahead.

The smoking ban introduced during 2007 has had an adverse impact on many pubs, particularly those that are predominantly wet–led, with some industry statistics suggesting that beer volumes have fallen by around 9% in October and November 2007. Having aggressively churned the estate over the past few years and invested effectively alongside licensees to develop a broader, high quality offering which is less dependent on beer sales, ETI and many of its licensees are to some extent protected from the full impact of these beer volume declines. However, as stated at the time of our preliminary announcement, we remain cautious about consumer confidence and its impact on all sectors of the pub industry over the coming year.

In a marketplace that is likely to remain difficult for some time, it is especially important that we work closely with our licensees, not only to help them to develop new business opportunities but also to support licensees who are genuinely struggling, despite their best efforts, to deal with adverse market conditions. In this regard, we continue to offer rent concessions, discount schemes and trading support where appropriate. Thanks to the quality of our pub estate, the expertise of our licensees and our support we are not experiencing any material deterioration in the key indicators of our licensees' financial health.

During the 15 week period, ETI acquired 28 high quality pubs for £26 million, with a further 6 pubs exchanged and awaiting completion in the next few weeks. Furthermore, some £24 million has been invested, alongside our licensees, in improvements to the estate and we expect capital investment for the year to be at a level similar to that spent in the year to September 2007.

During the same period, ETI has disposed of 10 pubs and 2 plots of surplus land for a total consideration of £7 million, a profit over book value of £2 million. There is considerable interest in the batch of 96 pubs that we put on the market in November for sale for alternative use and current indications are that these former pubs will also deliver a profit over book value.

ETI is continuing discussions with HMRC regarding a potential conversion to REIT status and is exploring whether an internal restructuring of the Group's activities, currently being considered by the Board and designed to enhance shareholder returns and optimise the benefits of our proposed refinancing, would result in the Group becoming eligible for admission to the REIT regime. HMRC is considering various aspects of this proposed restructuring and we will update shareholders when there are significant developments to report.

The balance sheet and cash flows of the business remain healthy, with debt ratios in line with those reported at the end of September 2007. As previously indicated, we have capacity to refinance the Unique securitisation and we are reviewing all options with our advisers. In the meantime, we continue to buy back shares for cancellation and since 30 September 2007 have purchased 5.5 million shares at a cost of £29 million excluding associated costs.

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Note to Editors

Forthcoming dates

ETI intends to publish its Pre-close Trading update for the six months to 31st March 2008 on 28 March 2008 and its interim results on Tuesday 13 May 2008.