

31st January 2013

Enterprise Inns plc
Interim Management Statement

Enterprise Inns plc (ETI) publishes its Interim Management Statement for the 17 weeks to 26th January 2013, to coincide with its Annual General Meeting to be held at 11.00am today.

Highlights

- Exceptional trading conditions have impacted the first 17 weeks of the year, resulting in like-for-like net income decline for the total estate of 4.4%, or £5 million.
- Like-for-like performance is expected to improve during the remainder of the year.
- On track to deliver proceeds from asset disposals of £150 million for the full year.
- Effective debt reduction strategy continuing with total net debt expected to decline by £0.2bn to £2.5bn during the financial year.

Challenging trading environment at the start of the year

A number of factors have made the first four months of the year unusually challenging. The poor weather during much of the period has not been helpful, particularly when compared to the Indian summer of October 2011 which was very good for trade. Trading in the weeks around Christmas and the New Year was strong and produced welcome respite. However, the extreme weather conditions of the last two weeks, with snow across much of the country, have led to reduced footfall and a consequential loss of beer volume which we estimate to have reduced our net income by £1.5 million.

As we signalled at our Preliminary Results announcement in November 2012, the cessation of trading on 1st October 2012 of Waverley, our wines and spirits distributor, adversely impacted the business because we were unable to supply wines and spirits to our publicans and resulted in a direct loss of some £1 million of trading income. However, we have now signed a new two year distribution agreement with Carlsberg which will become operational in the next few weeks such that income from wines and spirits should return to normalised levels by the end of March.

Enhancing estate quality - disposals on track to generate £150 million in the current year

We continue to dispose of unsustainable pubs, enhancing the quality of the retained estate and we are also capturing opportunities to dispose of exceptional properties where we can realise cash proceeds above book value and at healthy multiples of income. In the first 17 weeks of the current financial year we have completed or exchanged on 88 pubs for proceeds of £32 million and we have 34 additional pubs in the hands of solicitors expected to generate a further £17 million.

Board changes

We are pleased to announce that Peter Baguley will be appointed to the Board immediately following today's Annual General Meeting as a new non-executive director. Peter has held a number of senior management positions in the UK retail sector with a strong focus upon property. He was the leader of the Group property functions at both J Sainsbury Plc and Boots Plc and has most recently advised one of the largest global real estate services groups on retail corporate strategy.

As outlined in the Annual Report and Accounts 2012, David Harding has today retired from the Board after serving nearly ten years as a non-executive director and three years as the Company's Senior Independent Director. The Board would like to thank David for his valued contribution over the last ten years. David Maloney will become the new Senior Independent Director.

Outlook

We expect trading conditions to remain difficult in 2013 as consumers face economic uncertainty and publicans have to manage rising cost pressures. Our focus on enhancing the quality of our estate, attracting and retaining the right publicans and providing exceptional support will leave us well placed in the year ahead. Despite a challenging start our target is to return the business to like-for-like net income growth in the second half of this year.

We intend to announce Interim Results for the 26 weeks to 31st March 2013 on 14th May 2013.

Analyst Conference call:

9.30am GMT Tel +44 (0)20 3139 4830 / Pin code: 84886915#
Replay: Tel +44 (0)20 3426 2807 / Conference code: 635832#

Enquiries

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