



16th July 2009

Enterprise Inns plc

Interim Management Statement

Enterprise Inns plc (ETI) publishes its Interim Management Statement for the 41 weeks to 11th July 2009.

Current trading

There has been no material change in the underlying performance of the ETI business since publication of the Interim Results on 12th May 2009. Underlying trading performance appears to be stabilising, with the rate of decline in beer sales reducing.

Currently 6100 pubs, 81% of our estate, are let on substantive agreements and these pubs are delivering net income down by less than 3% year on year, even after taking account of the substantial cost of direct financial support given to some of those licensees. Furthermore, excluding pubs closed pending disposal, we have reduced the number of closed pubs to just over 100 and seen a significant reduction in the number of pubs operated under temporary tenancy (TAW) agreements.

Increased assistance for licensees

We continue to incur substantial costs helping licensees deal with the impact of weak consumer confidence and the pressures of increased costs. Direct financial support has increased to around £1.7 million per month, with some 800 licensees currently receiving rent concessions and special discounts under our Business Recovery scheme. Whilst there are now more than 200 pubs operating under our Temporary Management Agreement (TMA) scheme, short term management and administration costs incurred under the TMA scheme have stabilised at around £0.7 million per month. Our increased level of support for licensees has reduced the rate of business failures, which are nonetheless occurring at a rate some 50% ahead of last year and are costing close to £2 million per month in lost income.

Debt reduction programme

Our debt reduction programme continues in line with expectations. So far this year, we have sold 277 pubs for a gross consideration of £84 million, generating a profit over book value after taking account of costs of closure and disposal. In the full year to September 2008, net income from these pubs was £7 million. We expect to generate proceeds in excess of £100 million this year and again next year.

We intend to refinance our existing bank facilities before the end of the next financial year and remain confident that adequate debt facilities will be available to the Group at the time of our refinancing.

Business and Enterprise Committee

On 13th May 2009, the Business and Enterprise Committee published a report on pub companies to which we have responded in detail. The Committee has subsequently issued a follow up paper suggesting that the Secretary of State delays his response to the report "at least until October 2009".

In the meantime, the pub and brewing companies, collectively through the British Beer and Pubs Association and individually are engaged at many levels with Government to ensure that the importance of the British pub in our communities remains high on the agenda and that the relationship between pub owners and licensees is balanced, fair and transparent and continues to evolve in a way which ensures vibrant competition, wide choice and fair prices for consumers.

Enquiries:

Tulchan Communications, Andrew Honnor/ Mal Patel 0207 353 4200
Ted Tuppen, Chief Executive 0121 733 7700
David George, Chief Financial Officer 0121 733 7700
Emma Baines, Investor Relations Manager 07990 550210

Note to editors

Forthcoming dates

ETI intends to publish its Pre-close trading update for the year ending 30th September 2009 on 29th September 2009 and its Preliminary results on Tuesday 17th November 2009.