

28th September 2007

Enterprise Inns plc

Pre close trading update

Enterprise Inns plc (ETI), which will be announcing its preliminary results for the year ending 30th September 2007 on 20th November 2007, provides an update on trading.

ETI is pleased to announce that the business has continued to perform well and in line with the Board's expectations. The average EBITDA per pub has increased by more than 6% over the past year due to ongoing improvements in the quality and earnings potential of our pubs. This is a good result, particularly given the disappointing weather for part of the summer and the challenging comparables from the 2006 World Cup.

It is as yet difficult to evaluate the impact of the smoking bans introduced in England and Wales during the year. Anecdotally, and not surprisingly, quality pubs that had prepared for the ban have performed well. We continue to work with our licensees to maximise the opportunities that the ban will bring but, at the same time, we are aware that the real test of the smoking pub goer's resolve will come with cold and wet winter weather.

At the time of our interim results in May, we announced that we were exploring with our advisors whether the existing Group, without the need for material restructuring of the business, could meet the qualifying criteria for admission as a Real Estate Investment Trust (REIT). Discussions with HMRC are ongoing.

We also announced that we were working on refinancing our existing balance sheet to raise in the region of £750 million of additional debt by the end of the calendar year. This process is going well and the Board remains committed to determining the structure it considers to be in the best long term interests of shareholders. However, to avoid pricing new long term debt against the background of the current turbulence in the debt markets we believe that a delay into 2008 is appropriate. In the meantime, we have sufficient funds to continue with our share buy back programme. During the year to 27th September 2007, we have purchased for cancellation 102.6 million shares at an average price of £6.40, leaving 501.6 million shares in issue, excluding shares held in the Employee Benefit Trusts and in Treasury.

ENDS

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