

This document is important and requires your immediate attention. If you are in any doubt as to what action to take, you should consult your stockbroker, bank manager, solicitor, or accountant or other professional adviser immediately.

Notice is hereby given that the 2006 Annual General Meeting of the Company will be held at 2.30pm on 25 January 2006 at Marble Arch Tower, Bryanston Street, London W1H 7AJ. The business of the meeting will be to consider and, if thought fit, pass the following resolutions of which resolutions 1 to 9 are proposed as ordinary resolutions and resolutions 10 and 11 as special resolutions:

1. Ordinary Resolution – Annual Report and Financial Statements

To receive and consider the Annual Report and Financial Statements of the Company for the year ended 20 August 2005.

2. Ordinary Resolution – Re-appointment of Auditors

To re-appoint Ernst & Young LLP as auditors of the Company and to authorise that their remuneration be determined by the Directors.

3. Ordinary Resolution – Report on Directors' Remuneration

To approve the Report on Directors' Remuneration for the year ended 20 August 2005.

4. Ordinary Resolution – Dividend

To declare a final dividend of 7.6 pence per Ordinary share of the Company.

5. Ordinary Resolution – Political donations

THAT in accordance with section 347C of the Companies Act 1985 (the "1985 Act") the Company be and is hereby authorised:

(A) to make Donations to EU Political Organisations in aggregate not exceeding £50,000; and

(B) to incur EU Political Expenditure in aggregate not exceeding £50,000,

during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next Annual General Meeting of the Company or after 18 months from the date of passing of this resolution (whichever is earlier).

For the purposes of this resolution, the expressions 'Donations', 'EU Political Organisations' and 'EU Political Expenditure' have the meanings set out in Part XA of the 1985 Act.

6. Ordinary Resolution – Authority to allot shares

THAT the Directors be and are hereby authorised, in substitution for any existing authorities and powers granted to the Directors prior to the passing of this resolution, to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the 1985 Act) up to an aggregate nominal amount of £40,022, (representing approximately 33% of the Company's Ordinary shares in issue as at 1 December 2005) pursuant to section 80 of the 1985 Act provided that the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or after 18 months from the date of passing of this resolution (whichever is earlier) save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

7. Ordinary Resolution – Re-elect Director

THAT Giles Thorley be re-elected as a Director of the Company.

8. Ordinary Resolution – Re-elect Director

THAT Friedrich Ternofsky be re-elected as a Director of the Company.

9. Ordinary Resolution – Re-elect Director

THAT Randl Shure be re-elected as a Director of the Company.

10. Special Resolution – Disapplication of pre-emption rights

THAT the Directors be and are hereby empowered pursuant to section 95 of the 1985 Act, in substitution of any existing authorities and powers granted to Directors prior to the passing of this resolution, to allot equity securities (within the meaning of section 94 of the 1985 Act) for cash pursuant to the authority conferred by Resolution 6 above and/or where such an allotment constitutes an allotment of equity securities by virtue of Section 94(3A) of the 1985 Act, as if sub-section (1) of section 89 of the 1985 Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:

- (A) in connection with an offer of such securities by way of rights to holders of Ordinary shares (excluding any holder of shares as treasury shares) in proportion to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements or legal or practical problems arising under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or otherwise howsoever;
- (B) otherwise than pursuant to sub-paragraph (A) above, up to an aggregate nominal value of £6,063; and
- (C) provided further that this power shall expire at the conclusion of the next Annual General Meeting of the Company or after 18 months from the date of passing of this resolution (whichever is earlier) save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

11. Special Resolution – Authority for market purchases

THAT the Company be and is hereby authorised in accordance with section 166 of the 1985 Act to make market purchases (within the meaning of section 163 of the 1985 Act) of its own Ordinary shares provided that:

- (A) the authority is limited to 25,340,441 shares;
- (B) the price to be paid for each Ordinary share shall not be less than the nominal value of such share and not more than five per cent above the average of the middle market quotation for the Company's Ordinary shares as derived from the London Stock Exchange's Daily Official List for the five business days prior to the purchase being made; and
- (C) this authority shall expire at the conclusion of the next Annual General Meeting of the Company or 18 months after the date on which this resolution is passed (whichever is the earlier) save that the Company may before such expiry make an offer or agreement to purchase its Ordinary shares, which will or may be executed wholly or partly after such expiry, and the Directors may purchase the Ordinary shares pursuant to such offer or agreement as if the authority conferred hereby had not expired.

1 December 2005
By order of the Board

Punch Taverns plc
Neil Preston
Company Secretary

Registered Office
Jubilee House
Second Avenue
Burton Upon Trent
Staffordshire
DE14 2WF

Registered no. 3752645

Notes

The Annual General Meeting is a meeting of members (that is to say, shareholders) which the Company must hold each year.

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not also be a member. A form of proxy is enclosed. To be effective, instruments appointing a proxy should be lodged with the Company's Registrars (Computershare Investor Services plc, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA) at least 48 hours before the appointed time of the meeting (that is to say, no later than 2.30pm on 23 January 2006).

In order to attend or vote at the meeting, a member must be entered on the Company's register of members at 2.30pm on 23 January 2006. A member will only be entitled to vote in respect of those shares registered in his name at that time. Changes to entries on the Company's register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

Please note that the Annual General Meeting is a private meeting for shareholders, proxies and duly authorised representatives. Non-shareholders, including spouse and partners, are not entitled to attend the meeting. A disabled shareholder may, however, be accompanied by a carer who need not be a shareholder.

Copies of the Directors' contracts of service are available for inspection at the Company's registered office during normal business hours of each business day.

The register of the Directors' interests in the shares of the Company and copies of the terms and conditions of appointment of non-executive directors will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.

At this year's Annual General Meeting there are 11 resolutions which the members are asked to approve. An explanation of these resolutions is given below.

Resolution 1

The Directors must lay the Company's financial statements, the Directors' report and the Auditors' report before the Members at a General Meeting. This is a legal requirement after the Directors have approved the financial statements and the Directors' report, and the Auditors have prepared their report.

Resolution 2

Ernst & Young LLP have expressed their willingness to continue to act as auditors of the Company.

Resolution 3

The Report on Directors' Remuneration is set out on pages 22 to 33 of the Annual Report.

Resolution 4

An interim dividend of 3.7 pence per Ordinary share has already been paid on 1 July 2005. The directors are recommending a final dividend of 7.6 pence per Ordinary share, payable on 26 January 2006, to shareholders on the register as at 30 December 2005.

Resolution 5

The provisions of the Political Parties, Election and Referendums Act 2000 require companies to seek shareholder approval for donations to organisations within the European Community which are, or could be, categorised as an EU Political Organisation. Although the Company does not intend to make donations to political parties, within the normal meaning of that expression, the definition in the legislation of 'EU Political Organisations' can extend to bodies such as those concerned with policy review, law reform, the representation of the business community and special interest groups such as those concerned with the environment, which the Company and its subsidiaries may wish to support.

Resolution 6

This resolution seeks authority for the Board to allot up to 83,623,455 shares in the Company (representing approximately 33% of the Company's Ordinary shares in issue as at 1 December 2005). The authority will lapse at the end of the next Annual General Meeting of the Company or after 18 months from the passing of this resolution (whichever is earlier). The Directors have no current intention to exercise the authority granted by this resolution. The 1985 Act requires such authority to be granted by the Company in a general meeting so that any allotment of shares is not exercised at the sole discretion of the Directors. As at the date of this notice, the Company does not currently hold any of its Ordinary shares as treasury shares.

Resolutions 7-9

Under the Company's Articles of Association, a minimum of one-third of the directors shall retire from office and therefore Giles Thorley, Friedrich Ternofsky and Randl Shure will retire at the Annual General Meeting. They are eligible for, and are seeking, re-appointment. Biographical details of each Director are set out on pages 13 and 14 of the Annual Report.

Resolution 10

If a company proposes to allot shares or other 'equity securities' wholly for cash it has a statutory obligation (subject to certain exemptions) to offer those shares to holders of similar shares in proportion to their holdings. Resolution 10 seeks to remove this statutory right of first refusal for up to 12,670,220 shares (representing approximately 5% of the Company's Ordinary shares in issue as at 1 December 2005) to give the Directors some flexibility to raise capital through an issue of shares. The resolution also applies to the sale and re-issue of Ordinary shares held as treasury stock by the Company.

Resolution 11

This resolution seeks authority for the Company to make market purchases of its own Ordinary shares, which would otherwise be prohibited by the 1985 Act. Purchases of the Company's own shares will be made only after considering the effects on earnings per share and the benefits for shareholders generally. You are asked to consent to the purchase by the Company of up to 25,340,441 shares (representing approximately 10% of the Company's Ordinary shares in issue as at 1 December 2005). This authority will expire at the end of the next Annual General Meeting of the Company or after 18 months from the passing of this resolution (whichever is earlier).

The maximum price which may be paid for an Ordinary share is 105% of the average middle market quotations for the five business days preceding the purchase and the minimum price which may be paid for any Ordinary share is its nominal value of 0.04786 pence.

The total number of options to subscribe for Ordinary shares outstanding as at 1 December 2005 was 6,737,759 representing 2.66% of the Company's Ordinary shares in issue as at that date. If the authority to buy back shares under this resolution was exercised in full, the total number of options to subscribe for Ordinary shares outstanding as at 1 December 2005 would, assuming no further Ordinary shares are issued after that date, represent 2.95% of the Company's Ordinary shares in issue.

Companies are now permitted to retain any of their own shares which they have purchased as treasury stock with a view to possible re-issue at a future date, rather than cancelling them. The Company will consider holding any of its own shares that it purchases pursuant to the authority conferred by this resolution as treasury stock. This would give the Company the ability to re-issue treasury shares quickly and cost-effectively, and would provide the company with additional flexibility in the management of its capital base.

The Directors believe that the proposals in Resolutions 1 to 11 are in the best interests of the Company and shareholders as a whole. Accordingly, they unanimously recommend that shareholders vote in favour of each resolution as they intend to do in respect of their beneficial holdings.