

PUNCH TAVERNS PLC

Pre-Close Trading Statement

Punch Taverns completed its 52 week financial year on 20th August and expects to announce full year results on 10th November 2005.

Trading has continued to be satisfactory and in line with Board expectations. Turnover growth in the like for like estate was 2.5% in the year, compared to 2.9% in the previous year. Trading in the former Pubmaster and InnSpired pubs, not yet included in our like for like estate, has also continued to be positive.

We continue to focus our operations on supporting our retailers and a particular emphasis has been on implementing the new licensing regime. This has been an enormous operational activity during the second half of the year. We have taken a very pro-active approach which has ensured that substantially all licence applications sought variations to opening hours or terms to suit their individual business plan. Over 20% of licences have been granted already, and all are expected to be in place from November.

We increased our investment programme and invested in 936 pubs during the year, 45% of which were from the ex Pubmaster estate.

We have also continued to acquire good quality leased and tenanted pubs. The acquisition of InnSpired Group last September and the recent acquisition of Avebury Holdings in August have added 471 and 409 pubs respectively. In addition, we acquired 106 individual pubs during the year. At 20th August the estate comprised 8,227 pubs, prior to the recently announced sale of 45 pubs to Admiral Taverns.

Our acquisitions and growth have been entirely funded from cash generation and careful use of debt. On 1st August we completed the restructuring of part of our securitised debt which refinanced the acquisitions of Pubmaster and InnSpired onto improved terms and raised additional cash, some of which has since been used in the acquisition of Avebury. Our core business is now entirely funded by long term, securitised, fixed rate debt, whilst cash and further debt facilities are available for suitable acquisition opportunities should they become available.

The integration of Avebury is proceeding well and ahead of initial expectations. We now anticipate full integration of pubs and infrastructure by mid October.

Giles Thorley comments:

"Focus on our retailers and development of the estate through selective acquisition and investment continues to provide steady growth. We are confident that these activities will continue to show benefit into the forthcoming year."

8 September 2005

ENQUIRIES:

Punch Taverns plc

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