

PUNCH TAVERNS

("Punch" or "the Company")

AGM STATEMENT

At the AGM to be held at 2pm this afternoon, Giles Thorley, Chief Executive, will make the following comments on the Company's activity since the start of the financial year on 22nd August 2004:

'I am pleased to report further progress in the development and the performance of our business. Our pubs continue to trade well, in line with management expectations, and we continue to see good opportunities and prospects for steady growth. In the 20 weeks since August, including the Christmas/New Year period, underlying growth was 2%.

The disposal of 545 lower profitability pubs, plus most of the InnSpired company infrastructure, to Pubfolio Ltd is progressing well and will complete on 28th January. Punch will retain 471 higher quality InnSpired pubs, which are now being integrated into the Punch estate.

In addition to InnSpired, we have acquired 52 and sold 57 pubs in the year to date, such that the total estate after the Pubfolio sale will be 7,800 pubs, with 54% on long term leases. Investment levels are running at a similar level to last year.

Over the past year, the industry has been the subject of considerable uncertainty brought about by the Trade and Industry Select Committee review, the development of the new licensing regime, and proposals for new smoking guidelines. We believe the conclusions overall are favourable to Punch, and that greater clarity on these issues will improve the confidence of existing and prospective retailers in the pub sector. In particular, the Licensing Act contains many sensible elements which provide a more flexible trading environment for our retailers, whilst improving and modernising the regulation of our trade to the benefit of all consumers. With the implementation of the Act commencing in February, we are confident that the plans we have put in place to assist our retailers will provide a smooth transition into the new regime.

2004 was another excellent year for Punch. We have a large, high quality pub estate, run by retail professionals and entrepreneurs serving their local communities, and a robust business model which continues to deliver strong results.'

Interim results for the 28 weeks to 5th March will be announced on 28th April. An analyst briefing will be held on 2nd February, focusing particularly on the InnSpired acquisition, and opportunities for the business.

26 January 2005

ENQUIRIES:

Punch Taverns plc

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