

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 20th August 2006:

“This has been a period of continued progress for Punch Taverns on all fronts. Our pubs are trading well in a quiet market and we have continued to improve the quality of our estate through conversions, acquisitions and investment.

“In the first 20 weeks of our financial year, to 6th January, we acquired 125 pubs and sold 56, taking our overall estate to 9,325 pubs. Acquisitions included Mill House Inns, a company owning 82 high quality directly managed pubs which was acquired in September for £164m. The transfer to lease programme is progressing well and we have now converted 301 managed pubs from Spirit to a leased format.

“Trading remains steady and in line with our expectations. In the leased estate, like for like turnover growth continues at around 1% with an increasing component from rent. In the core managed estate, like for like sales growth has been around 5%, with a growing emphasis on food. Christmas sales overall were in line with recent trends. We continue to invest in pub amenities and customer service to ensure our pubs are ready when the smoking ban is introduced in England and Wales later this year.

“We expect to announce interim results for the first 28 weeks of our financial year on Tuesday 1st May. Historically the first 28 weeks have generated just over half of leased estate annual pub profits, and just under half of managed estate annual pub profits.

“We are today effecting some changes to our Board. Phil Cox is retiring after four years as Chairman, and will be replaced in this role by Peter Cawdron who first joined our Board in May 2003. Martin Glenn also retires from the Board today. We would particularly like to thank Phil and Martin for their work with the Company and their contribution to a period of phenomenal progress for Punch. We now welcome two new directors to our Board – Andrew Knight, who is Managing Director of our Spirit managed pub business, as executive director, and Phil Dutton as non executive director. Phil was until recently Finance Director of Matalan and has excellent experience of retail businesses including Asda. These new appointments will strengthen our retail skills at Board level as we drive forward the quality of our pub estate.”

24 January 2007

ENQUIRIES:

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