

# PUNCH TAVERNS

("Punch" or "the Company")

## AGM STATEMENT

At the AGM to be held at 2.30pm this afternoon, Giles Thorley, Chief Executive, will make the following comments on the Company's activity since the start of the financial year on 21st August 2005:

*"This has been another period of significant advancement for Punch Taverns. Our core estate of leased pubs continues to improve as we consolidate the recently acquired Avebury estate and dispose of some smaller pubs. The acquisition of Spirit Group, which completed on 5th January, has now added a further dimension to our Company with the addition of some 1,800 larger pubs which are currently run under direct management. The expansion has created excellent opportunities for continued growth in the years to come.*

*"Our plans for the Spirit business continue on track. As announced in December we intend to convert some 750 pubs to run under lease agreements, and will commence this process in the next two months. We are actively reviewing value creation opportunities for the remainder of the estate and continue to be encouraged by the quality of the acquired business and the opportunities it presents. The pubs are trading well and in line with our expectations.*

*"Trading performance in the Punch leased estate continues to be positive, with like for like turnover growth of around 1% in the first 20 weeks of the financial year including the Christmas and New Year period. We have disposed of 483 leased pubs in the year to date, and acquired 38, taking our leased estate at 13th January to 7,780 pubs.*

*"We have successfully relicensed our estate with 94% of our leased pubs in England and Wales gaining extended hours and increasing our retailers' ability to meet customer needs. We continue to invest very profitably with our retailers to enhance their pubs, and to offer industry leading training and support to help them grow their business.*

*"In relation to the debate on smoking in pubs, we remain of the view that some form of choice for the consumer is a sensible and pragmatic solution. However, if Parliament does not support the Government proposals, then we see no reason why a distinction should be made to exclude private clubs from a ban. We support the Government's aspiration to reduce the number of adult smokers over a 5 year timescale and would therefore wish to see any ban introduced over a clear period to allow the industry to continue their highly successful plans to reduce smoking in pubs on a voluntary basis. This would allow pubs to work with their customers in the interim and plan a sensible evolution for the time after a ban. At Punch, we are*

*already moving towards a reduction in smoking, using our investment programme to increase outside amenities and to improve the internal environment and range of offers in our pubs.*

*“Our pubs are run by retail professionals and entrepreneurs serving their local communities, and contributing to a robust and successful business. The acquisition of Spirit has further increased the quality of our estate and created interesting opportunities to grow value. We look forward to another successful year.”*

*25 January 2006*

**ENQUIRIES:**

**Punch Taverns plc**  
Giles Thorley, Chief Executive  
Robert McDonald, Finance Director

**Tel: 020 7868 8903**

**College Hill**  
Justine Warren

**Tel: 020 7457 2020**