

Punch Taverns plc

("Punch Taverns")

Disposal of 11 pubs to Greene King PLC ("Greene King")

Punch Taverns is pleased to announce that it has reached agreement to sell 11 managed pubs to Greene King for a total consideration of £30.4 million. The pubs to be sold are freehold outlets located in central London, the south east of England and Scotland. The agreement is unconditional and is expected to complete on 1 July 2009.

The consideration will be satisfied in cash. Net disposal proceeds will be used to reduce debt and reinvest in the estate.

For the financial year ended 23 August 2008, the pubs being disposed of generated earnings before interest and tax of £3.55 million. As at 7 March 2009, the pubs had a book value of £32.7 million.

Commenting on the transaction, Giles Thorley, Chief Executive of Punch Taverns, said:

"This transaction is in line with our stated strategy of increasing free cash flow and reducing the overall level of our debt, whilst seeking to maintain investment in our high-quality pub estate."

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ENQUIRIES:

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