

# PUNCH TAVERNS PLC

("Punch" or "the Group")

Second Quarter Trading Update for the 12 weeks to 5 March 2011

The Group issues its trading update for the second quarter of the current financial year. The interim results for the 28 weeks ended 5 March 2011 are expected to be announced on 12 April 2011.

## TRADING

### Highlights

- Further progress in all areas of the business
- Strong sales growth in Managed
- Improving trends in Leased
- On track to meet our full year expectations

### Managed

- Like-for-like sales +8.6% (+4.9% 28 weeks)
- Like-for-like food sales +11.7% (+6.3% 28 weeks)
- Like-for-like drink sales +7.0% (+3.9% 28 weeks)

The combination of our continued focus on operational excellence and investment in the estate has delivered an 8.6% growth in sales over the last 12 weeks. The investment programme continues to deliver strong returns and we have also been encouraged by a 5.2% sales growth in uninvested pubs. During the half year we have refurbished 135 pubs, focusing our activities on the Chef & Brewer, Fayre & Square brands and lately on the acceleration of the Flaming Grill brand. We remain on track to refurbish c.200 pubs in the full year.

### Leased

- Like-for-like net income -6.1% (-7.0% 28 weeks)<sup>1</sup>
- Average net income per pub +0.3% for the first half year

Our Pathway to Partnership programme continues to deliver benefits with the rate of like-for-like decline improving over the period. Our ongoing disposal programme together with improved like-for-like trends has resulted in a growth in net income per pub for the first time since March 2008. The new Punch Buying Club lease agreement offering free of tie options has been rolled out nationally and online Buying Club orders now account for over 15% of sales.

### Strategic review

As previously announced, the company will announce the outcome of the strategic review on 22 March 2011.

**Ian Dyson**, Chief Executive Officer of Punch Taverns plc, commented:

"We are pleased that our operational initiatives continue to translate into improved performance within both the managed and leased businesses. Despite the challenging UK consumer environment, we remain confident of further improvements being delivered in the second half of this financial year and are on track to meet our full year expectations."

- Ends -

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<sup>1</sup> Net income represents revenue less cost of drink sales (gross profit). Like-for-like net income for the first quarter, being the 16 weeks ended 11 December 2010 was -7.9%

**ENQUIRIES;****Punch Taverns plc**

Ian Dyson, Chief Executive  
Steve Dando, Acting Finance Director

**Tel: 020 7255 4000****Brunswick Group LLP**

Mike Smith  
Catherine Hicks  
Nina Coad

**Tel: 0207 404 5959****Conference Call**

There will be a conference call for analysts and investors at 8.30am today on:  
+44 (0) 1452 541 076, Conference ID 50607728.  
The title of the call is Punch Taverns Trading Statement.

A replay of the call will be available by calling:  
+44 (0) 1452 55 00 00. Access code: 50607728#

**Forward-looking statements**

This announcement may contain certain statements about the future outlook for Punch. Although we believe our expectations are based on reasonable assumptions, any statements about future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.