



**PUNCH TAVERNS FINANCE B
PUNCH TAVERNS (PMH) LIMITED AND SUBSIDIARY COMPANIES**

FINANCIAL REPORT – DECEMBER 2005 QUARTER

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PUNCH TAVERNS FINANCE B PUNCH TAVERNS (PMH) LIMITED AND SUBSIDIARY COMPANIES

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Basis of Preparation

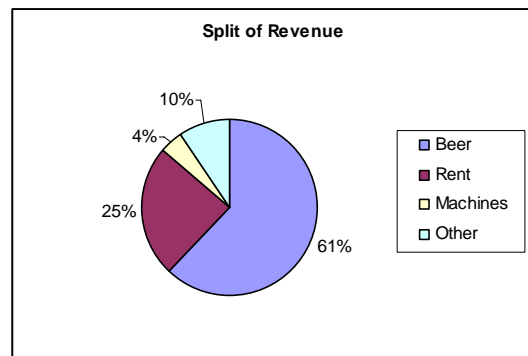
The financial reporting period for Punch Taverns (PMH) Limited and its subsidiaries (“The Securitised Group”) is determined by reference to the closing date of 1 August 2005. This report covers the 16 week period to 10 December 2005, which is the first quarter of the 2005/06 financial year.

Profit Commentary

Trading results for the 16 week period are as follows:

• Turnover and Gross Margin

- Turnover for the 16 week period was £90.7m.
- Beer sales made up £56.1m and contributed a gross margin of 49% in the quarter.
- The total gross margin in the period was £56.3m, towards which rents contributed £22.3m.



• Operating Margin and EBITDA

- Operating margin for the 16 week period to 10 December 2005 was 52.7% resulting in an EBITDA for the period of £47.8m.
- EBITDA of £160.7m for the 52 weeks to 10 December 2005 compares favourable to the run rate of £157.0m as stated in the Offering Circular.

The new licensing regime came into force during the quarter, on 24 November 2005.

In addition, on 5 January 2006 Punch Taverns plc announced the completion of the acquisition of Spirit Group by another company within the Punch Taverns Group.

Subsequent to the quarter end, two package disposals have been completed, with 121 pubs being disposed for net proceeds of £56m.



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Estate Portfolio

	<u>Quarter 1</u> 16 weeks to 10 December 2005 <u>No</u>	<u>2004/05</u> 3 weeks to 20 August 2005 <u>No</u>
Number of Pubs		
Opening	3,176	3,176
Acquisitions	-	-
Other ¹	(1)	-
Disposals ²	(25)	-
	<u>3,150</u>	<u>3,176</u>

¹ During the quarter the head lease expired on one pub, one pub was delicensed and a previously unlicensed property was licensed.

² 23 pubs were disposed of as part of a package in Q1 2005/06 following the acquisition of Avebury Holdings Limited by another company in the Punch Taverns group.

Investment in Pub Estate

	<u>Quarter 1</u> 16 weeks to 10 December 2005 <u>£000</u>
Payments to acquire new pubs	-
Spend on existing pubs ¹	12.6
Total Spend on Estate	<u>12.6</u>
Disposal Proceeds	<u>7.7</u>

¹ Spend includes £0.4m of costs associated with purchasing the tenant's leasehold interest of a freehold pub already owned, £0.5m to purchase the freehold of a leasehold pub and £0.3m to purchase a property adjoining a pub.

Capital expenditure in the quarter exceeds the £10.0m that is required to be spent in each 6 month period.



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Debt Service Cover Ratio (DSCR)

This is calculated as follows (see profit and loss account on page 5):

	<u>Quarter 1</u> 16 weeks to 10 December 2005 <u>£m</u>	<u>2004/05</u> 3 weeks to 20 August 2005 <u>£m</u>
EBITDA	47.8	9.7
Interest Payable	24.8	4.2
Interest Receivable	(1.4)	(0.1)
Capital Repayments ¹	-	-
	<hr/> 23.4 <hr/>	<hr/> 4.1 <hr/>
Debt Service Cover Ratio	2.04	2.37

¹ Capital repayments to commence in December 2009

Interest and Capital Payments

The interest and capital payments shown below relate purely to the revised debt structure.

	<u>Quarter 1</u> 16 weeks to 10 December 2005 <u>£m</u>	<u>2004/05</u> 3 weeks to 20 August 2005 <u>£m</u>
Interest Payments		
A3	3.7	-
A6	3.3	-
A7	2.0	-
A8	2.0	-
B1	1.6	-
B2	2.2	-
C	1.2	-
Swap costs	0.3	-
Other	0.1	-
	<hr/> 16.4 <hr/>	<hr/> - <hr/>

Capital repayments do not commence until December 2009.



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PROFIT AND LOSS ACCOUNT

	<u>Quarter 1</u> 16 weeks to 10 December 2005 £m	<u>2004/05</u> 3 weeks to 20 August 2005 £m
Turnover		
Beer (net of discounts)	56.1	11.5
Rent	22.3	4.2
Machines	3.7	0.6
Other	8.6	1.8
Total Turnover	90.7	18.1
Gross Profit		
Beer	27.5	6.0
Rent	22.3	4.2
Machines	3.7	0.6
Other	2.8	0.5
Total Gross Profit	56.3	11.3
Operating Costs	(8.5)	(1.6)
EBITDA	47.8	9.7
Loss on Disposal	(0.6)	-
Depreciation and Amortisation	(1.2)	(0.2)
Exceptionals	(0.2)	-
Cash Interest Receivable	1.4	0.1
Cash Interest Payable	(24.8)	(4.2)
Non-Cash Interest Charge	(0.5)	(0.1)
Subordinated Loan Interest	(8.2)	(1.7)
Profit Before Taxation	13.7	3.6
Taxation	(2.7)	(0.2)
Profit After Taxation	11.0	3.4



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CONSOLIDATED BALANCE SHEET

	<u>Quarter 1</u> As at 10 December 2005 £m	<u>2004/05</u> As at 20 August 2005¹ £m
Fixed Assets		
Goodwill	(19.3)	(19.6)
Tangible Fixed Assets	1,634.9	1,631.6
	1,615.6	1,612.0
Debtors		
Trade	19.4	17.5
Prepayments	8.9	8.6
	28.3	26.1
Cash at Bank and In Hand	47.8	199.7
CURRENT ASSETS	76.1	225.8
Creditors: amounts falling due within one year		
Loans	-	(169.4)
Trade Creditors	(16.9)	(22.3)
Other Creditors	(10.7)	(9.9)
Corporation Tax	(1.9)	(0.1)
Social Security and Other Taxes	(3.3)	(2.0)
Accruals and Deferred Income	(30.3)	(26.8)
	(63.1)	(230.5)
NET CURRENT ASSETS/(LIABILITIES)	13.0	(4.7)
TOTAL ASSETS LESS CURRENT LIABILITIES	1,628.6	1,607.3
Creditors: amounts falling due after more than one year		
Loans	(1,231.7)	(1,231.3)
	396.9	376.0
Provisions for Liability and Charges	(17.6)	(17.7)
Amounts due from Group Undertakings	219.0	220.8
NET ASSETS	598.3	579.1
Capital and Reserves		
Share Capital	84.0	84.0
Revaluation Reserve	337.1	336.7
Other Capital Reserves	7.6	7.6
Subordinated Loan Funding	187.2	179.0
Profit and Loss Reserves	(28.6)	(31.6)
Profit for the period	11.0	3.4
TOTAL SHAREHOLDERS' FUNDS	598.3	579.1

¹ The balance sheet as at 20 August 2005 has been restated to reflect the finalisation of taxation for Punch Taverns (Centrum) Limited and InnSpired Pubs Limited for the period prior to the acquisition of these companies by the securitised group. The impact of this adjustment is to reduce net assets by £6.4m.



PUNCH TAVERNS FINANCE B
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CONSOLIDATED CASH FLOW

	Quarter 1 16 weeks to 10 December 2005 £m
Net Cash Inflow From Operating Activities	41.3
Returns on Investment and Servicing of Finance	
Interest paid	(19.2)
Interest receivable	1.7
	<hr/> (17.5)
Taxation Payments	<hr/> (1.0)
Capital Expenditure and Financial Investment	
Payments to acquire new pubs	-
Investment spend on fixed assets	(13.3)
Receipt from sale of fixed assets	7.9
	<hr/> (5.4)
Net Cash Inflow Before Financing	<hr/> 17.4
Financing	
Loan repaid ¹	(169.3)
NET DECREASE IN CASH	<hr/> (151.9)

¹ Redemption of FRNs on 30 September 2005 relating to the old financing structure financed by funds held on escrow at 20 August 2005.



**PUNCH TAVERNS FINANCE B
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FINANCIAL RATIO COMPLIANCE CERTIFICATE

To: Deutsche Trustee Company Limited

1. We, Robert McDonald and Neil Preston each being a director of Punch Taverns (PML) Limited hereby certify without incurring any personal liability for the same, that for the Financial Quarter just ended:

- (a) that the financial covenants for the undertakings in Clause 15 of the Issuer/Borrower Facility Agreement have been observed;
- (b) the Debt Service Cover Ratio for the quarter ending on 10 December 2005 is 2.04 : 1;
- (c) the FCF Covenant for the quarter ending on 10 December 2005 is 1.92:1;
- (d) the Peak Debt Service Ratio is not required to be tested until the quarter ended 19 August 2006;
- (e) the Net Worth of the New Securitisation Group calculated in accordance with Clause 15.3 of the Issuer/Borrower Facility Agreement for the Financial Quarter ending on 10 December 2005 was £411.1m;
- (f) for the purposes of calculating the ratios, above, the following values were relevant for the Financial Quarter just ended:

DSCR (for four Financial Quarters):	There is no requirement to test this covenant until the quarter ended 19 August 2006
DSCR (for two Financial Quarters):	There is no requirement to test this covenant until the quarter ended 4 March 2006
EBITDA:	£47.8m
Look Back EBITDA	There is no requirement to test this covenant until the last quarter ending prior to June 2022
Debt Service:	£23.0m
Expected Class A Debt Service	There is no requirement to test this covenant until the quarter commencing in August 2028
Interest Charges:	£24.8m



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(g) in addition, the following values were relevant for the Financial Quarter(s) just ended:

Free Cash Flow £45.0m
 Outlet EBITDA £53.4m

The average and final balance of each of the New Securitisation Group Entity Accounts :
 Operating / Collections Accounts
 Disposal Proceeds Account

Average Balances (£m)	Final Balance (£m)
31.9	38.1
6.7	8.4

Minimum Maintenance CapEx Amount This covenant will be tested in the financial quarter ended 27 May 2006

CapEx Amounts expended This covenant will be tested in the financial quarter ended 27 May 2006

Number of Punch Taverns B Mortgaged Properties disposed of or acquired Disposed - 25

Number of Pubs in Portfolio 3,150

Weighted Average Return on all CapEx Amounts spent on all trading Pubs during the 24 months 29.0%

Excess Cash Not required to be tested this quarter

(h) as of the date of this Certificate, no Borrower Event of Default or Potential Borrower Event of Default (which, in either case, has not previously been notified to the Borrower Security Trustee) has occurred;

Terms used in this Financial Ratio Compliance Certificate that are not defined herein shall have the meaning given to them in the Master Definitions and Construction Agreement dated 1 August 2005.

Dated January 2006

Signed for and on behalf of
 Punch Taverns (PML) Limited

.....
 Finance Director

.....
 Director