

RESULTS HIGHLIGHTS



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PASSIONATE ABOUT OUR PUBS



www.punchtaverns.com

Forward Looking Statements

This presentation 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



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P A S S I O N A T E A B O U T O U R P U B S

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Results Highlights

- Resilient performance given smaller pub estate, smoking ban, consumer downturn and credit crunch
- Results in line with expectations
- Strong cash generation with free cash flow before investment of £298m (£200m last year)
- Prudent decision to utilise cash to reduce debt levels
- Gross debt reduced by £243m including actions taken post year end
- Conservative view of property valuations reflected in balance sheet
- Property valuation £2.0bn more than net debt



Prudent Long Term View

2006/7

- Disposal of c.1,000 non core pubs ahead of the smoking ban
- £825m refinancing – bank debt reduced to £43m

2007/8

- All bank debt repaid
- Resisted pressure to increase leverage and buy back shares
- Considered synergistic M&A transactions
- Implemented cost saving programme - £10m target achieved in current year
- Individual pub acquisition programme curtailed
- Final dividend suspended

2008/9

- Repurchase and cancellation of bonds
- Plans for further pub disposals
- Identified further cost savings
- Continue to operate with significant headroom to financial covenants

