FINANCIAL REPORT – MARCH 2005 QUARTER

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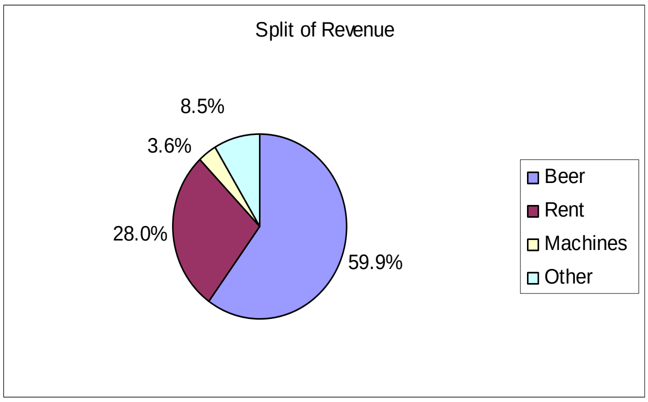
Basis of Preparation

The financial reporting period for Punch Taverns Holdings Limited and its subsidiaries ("The Securitised Group") is determined by reference to the closing date of 3 November 2003. This report covers the twelve week period to 5 March 2005, which is the second quarter of the 2004/05 financial year.

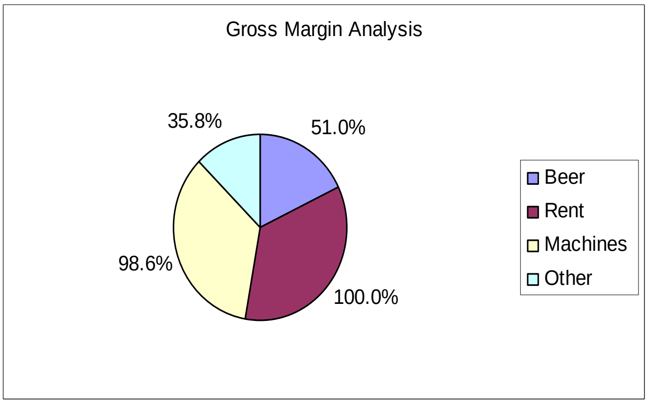
Profit Commentary

Trading results for the twelve week period are as follows:

- **Turnover**
  - Total turnover of £99.0m
  - Rent proportion of turnover of 28.0% (up from 27.5% in Q1).



- **Gross Profits**
  - Total gross profits of £64.5m.
  - Total gross profit margin of 65.1% (64.4% in Q1).
  - Beer gross margin of 51.0%.
  - Rent element of gross profits has risen from 42.7% in Q1 to 42.9% in Q2.



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- **Estate**
- The number of Punch Growth Leases and new long term Retailer Agreements (which have superceded the Punch Growth Lease) in the estate has risen from 1,626 at end of Q1 to 1,672 at end of Q2.
- 12 disposals were made during the quarter, for gross proceeds of £3.2m, resulting in a closing estate balance of 4,183.

- **Operating Margin and EBITDA**

- Operating margin of 57.3% resulting in an EBITDA for the 12 week period to 5 March 2005 of £56.7m.

Estate Portfolio

	Quarter 2 12 weeks to 5 March 2005	YTD 28 weeks to 5 March 2005
Number of Pubs		
Opening	4,195	4,222
Acquisitions	-	-
Other[1]	-	(1)
Disposals[2]	(12)	(38)
	4,183	**4,183**

[1] The head lease expired on one pub during Q1 2004/05.
[2] 20 pubs were disposed of as a package in Q1 2004/05 following the acquisition of InnSpired Group Ltd by Punch Taverns plc.

Investment in Assets

	Quarter 2 12 weeks to 5 March 2005 £m	YTD 28 weeks to 5 March 2005 £m
Payments to acquire new pubs	-	-
Spend on existing pubs	7.7	17.6
Spend on other assets	0.4	0.7
Total Spend on Estate	**8.1**	**18.3**
Disposal Proceeds[1]	**3.2**	**12.2**

[1] Disposal proceeds in this quarter include proceeds of £0.1m for land disposals

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Debt Service Cover Ratio (DSCR)

This is calculated as follows (see profit and loss account on page 6):

	Quarter 2 12 weeks to 5 March 2005 £m	Rolling Two Quarters 28 weeks to 5 March 2005 £m	YTD 28 weeks to 5 March 2005 £m
EBITDA	**56.7**	**130.0**	**130.0**
Interest Payable	30.4	70.5	70.5
Interest Receivable	(0.6)	(1.7)	(1.7)
Capital Repayments[1]	4.6	9.9	9.9
	34.4	**78.7**	**78.7**
Debt Service Cover Ratio	**1.65**	**1.65**	**1.65**

[1] Calculated on a forward accruals basis.
(Capital repayments commenced on 15 January 2004)

Interest and Capital Payments

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

	Quarter 2 12 weeks to 5 March 2005 £m	YTD 28 weeks to 5 March 2005 £m
Interest Payments		
A1	4.9	9.8
A2	5.1	10.2
A3	1.8	3.6
B1	2.6	5.2
B2	3.2	6.4
C	3.5	7.0
M1	3.0	6.0
M2	6.2	12.2
Swap costs	1.9	3.9
Other	0.1	1.0
	32.3	**65.3**
Capital Repayment		
A3	**5.5**	**9.8**

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Restricted Payments

The following payments to Punch Taverns Intermediate Holdings Limited were made in accordance with the Permitted Restricted Payment terms (Clause 16.4(b) of IBFA):

	Relevant Period 24 weeks ending 21 August 2004 £m
Restricted Payment Excess Cash	37.4
Less: Capex payments funded from above	(4.3)
Plus: Tax due on the accrual of interest on the Borrower Subordinated Loans	12.5
	45.6
Less: Restriction to ensure total does not exceed Excess Cash	(1.4)
Total Permitted Restricted Payment	**44.2**
Utilisation to Date	
Q1 2004/05 – Repayment of Borrower Subordinated Loan	(44.2)
	-

PROFIT AND LOSS ACCOUNT

	Quarter 2 12 weeks to 5 March 2005 £m	YTD 28 weeks to 5 March 2005[1] £m
Turnover		
Beer (net of discounts)	59.3	140.0
Rent	27.7	64.4
Machines	3.6	8.2
Other	8.4	19.9
Total Turnover	**99.0**	**232.5**
Gross Profit		
Beer	30.3	71.3
Rent	27.7	64.4
Machines	3.5	8.1
Other	3.0	6.6
Total Gross Profit	**64.5**	**150.4**
Operating Costs	(7.8)	(20.4)
EBITDA	**56.7**	**130.0**
Profit / (Loss) on Disposal	(2.3)	-
Exceptional Profit / (Loss) on Disposal	-	-
Depreciation and Amortisation	(1.3)	(3.1)
Exceptional Costs	(0.6)	(1.2)
Cash Interest Receivable	0.6	1.7
Cash Interest Payable	(30.4)	(70.5)
Non-Cash Interest Charge	(0.6)	(1.5)
Subordinated Loan Interest	(22.3)	(50.3)
Profit / (Loss) Before Taxation	**(0.2)**	**5.1**
Taxation	0.1	(1.5)
Profit / (Loss) After Taxation	**(0.1)**	**3.6**

[1] Restated to include an adjustment to operating cost apportionment.

CONSOLIDATED BALANCE SHEET

	As at 5 March 2005 £m	As at 21August 2004[1] £m
Fixed Assets		
Goodwill	(9.1)	(9.4)
Tangible Fixed Assets	2,340.5	2,337.4
	2,331.4	2,328.0
Debtors		
Trade	28.5	28.9
Prepayments	16.4	15.2
Other	-	-
	44.9	44.1
Cash at Bank and In Hand	58.9	77.0
CURRENT ASSETS	103.8	121.1
Creditors: amounts falling due within one year		
Loans	(23.0)	(21.2)
Trade Creditors	(4.4)	(4.5)
Other Creditors	(20.4)	(19.4)
Corporation Tax	(5.6)	(4.1)
Social Security and Other Taxes	(12.2)	(8.7)
Accruals and Deferred Income	(42.9)	(39.8)
	(108.5)	(97.7)
NET CURRENT (LIABILITIES) / ASSETS	(4.7)	23.4
TOTAL ASSETS LESS CURRENT LIABILITIES	2,326.7	2,351.4
Creditors: amounts falling due after more than one year		
Loans	(1,757.0)	(1,767.2)
Accruals and Deferred Income	(3.2)	(3.5)
	(1,760.2)	(1,770.7)
Provisions for Liability and Charges	(65.2)	(65.3)
Amounts due from Group Undertakings	394.7	326.7
NET ASSETS	**896.0**	**842.1**
Capital and Reserves		
Share Capital	-	-
Share Premium	2,963.3	2,963.3
Capital Reserve	34.2	34.6
Intercompany Funding[2]	(2,987.9)	(2,987.9)
Revaluation Reserve	220.2	221.0
Subordinated Loan Funding	647.3	597.0
Profit and Loss Reserves	15.3	21.9
Profit / (Loss) for the period	3.6	(7.8)
TOTAL SHAREHOLDERS' FUNDS	**896.0**	**842.1**

[1] Restated to include the year end revaluation of fixed assets and for corporation tax. The impact of these adjustments is to increase net assets by £28.9m.

[2] Represents Punch Taverns (PR) Limited intercompany balances with Punch Taverns (PRAF) Limited and Punch Retail (PRAC) Limited.

CONSOLIDATED CASH FLOW

	Quarter 2 12 Weeks to 5 March 2005 £m	YTD 28 Weeks to 5 March 2005 £m
Net Cash Inflow From Operating Activities[1]	48.3	111.8
Returns on Investment and Servicing of Finance		
Interest Paid	(32.3)	(65.3)
Interest Receivable	0.3	1.6
	(32.0)	(63.7)
Taxation (Payments)/Receipts	-	-
Capital Expenditure and Financial Investment		
Payments to acquire new pubs	-	-
Investment Spend on Existing Pubs	(8.1)	(21.0)
Receipt from Sale of Pubs	3.2	12.9
	(4.9)	(8.1)
Net Cash Inflow Before Financing	11.4	40.0
Financing		
Loan repaid	(5.5)	(9.8)
Amounts paid to other group undertakings	(2.3)	(48.3)
	(7.8)	(58.1)
NET INCREASE / (DECREASE) IN CASH	3.6	(18.1)

[1]Includes intercompany movements associated with the supply of wet sales to the trading entities

FORM OF FINANCIAL RATIO COMPLIANCE CERTIFICATE

To: Security Trustee

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

(a) the Debt Service Cover Ratio for the period of two Financial Quarters ending on 5 March 2005 was :1.65:1

(b) for the purposes of calculating the above, the following values were relevant for the Financial Quarter just ended:

	Relevant Period 28 weeks to 5 March 2005
Debt Service (£m)	78.6
Interest Charges (£m)	68.8
EBITDA (£m)	130.0

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

<table>
<tr><td>Outlet EBITDA</td><td colspan="2">£62.2m</td></tr>
<tr><td>The average and final balance of each of the Securitisation Group Entity Accounts:</td><td>Average Balance (£m)</td><td>Final Balance (£m)</td></tr>
<tr><td>Acquisition Reserve A/c</td><td>0.1</td><td>0.1</td></tr>
<tr><td>Disposal Proceeds A/c</td><td>7.5</td><td>3.6</td></tr>
<tr><td>Controlled Cash A/c</td><td>20.9</td><td>21.1</td></tr>
<tr><td>Stamp Duty Reserve A/c</td><td>-</td><td>-</td></tr>
<tr><td>Collections A/c</td><td>36.2</td><td>41.0</td></tr>
<tr><td>Payments A/c</td><td>(5.0)</td><td>(6.5)</td></tr>
<tr><td>CapEx Amounts expended</td><td colspan="2">£7.7m for the quarter (Minimum Maintenance CapEx Amount required of £4.4m per annum)</td></tr>
<tr><td>Number of Punch Taverns Mortgaged Properties disposed of or acquired</td><td colspan="2">Disposals – 12</td></tr>
<tr><td>Number of Pubs in Portfolio</td><td colspan="2">4,183</td></tr>
<tr><td>Weighted Average Return on all CapEx Amounts spent on all trading Pubs</td><td colspan="2">24.7%</td></tr>
</table>

Free Cash Flow	Not tested this quarter
Excess Cash	Not tested this quarter
Restricted Payment Excess Cash	Not tested this quarter
Net Worth	Not tested this quarter

(d) 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 Security Trustee) has occurred;

2. On 23 December 2004 Punch Taverns (PPCS) Limited, a company within the Punch Taverns group but outside of this securitisation, entered into a two year drinks delivery contract with Carlsberg UK to provide a service to all pubs within the Punch Taverns group. This securitisation receives the benefit of this contract via the existing 'back to back' supply agreement it has with Punch Taverns (PPCS) Limited.

In accordance with Clause 16.1(o) of the Issuer/Borrower Facility Agreements, we confirm that there have been:

(a) no material amendments made to the Material Contracts since the Closing Date;

(b) no Material Contracts entered into since the Closing Date, with the exception of the delivery contract noted above;

(c) no new franchise agreements and licences which we consider, acting in good faith, to be material to the interests of the Issuer and the Security Trustee.

Dated April 2005

Signed for and on behalf of

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Finance Director Director