

# Appendices



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## 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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# Estate Size

	<u>Leased</u>	<u>Managed</u>	<u>Total</u>
August 2006	7,846	1,410	9,256
August 2007	7,561	887	8,448
Acquisitions	19	1	20
Lease conversions	20	(20)	
Disposals	(34)	(5)	(39)
Other	(6)	1	(5)
August 2008	7,560	864	8,424
<i>net change</i>	<i>0%</i>	<i>(3%)</i>	<i>0%</i>
Average estate size	7,572	870	8,442
<i>decrease on last year</i>	<i>(4%)</i>	<i>(27%)</i>	<i>(7%)</i>

- Smaller, better quality estate following strategic disposals completed in 2007



# Leased Operating Profit

	2007/08 53 weeks	2006/07 52 weeks	Change average per pub*
Average number of pubs	<b>7,572</b>	7,873	
Beer	492	498	1%
Rent	252	236	9%
Machines	30	32	(4%)
Other	83	79	7%
<b>Total Revenue</b>	<b>858</b>	<b>845</b>	4%
Beer	249	257	(1%)
Rent	252	235	9%
Machines	30	32	(4%)
Other	32	30	9%
<b>Total Gross Profit</b>	<b>563</b>	554	4%
Rent Payable	(14)	(7)	(107%)
Other Costs	(59)	(68)	11%
<b>EBITDA</b>	<b>490</b>	479	4%
Depreciation	(21)	(18)	(21%)
<b>Operating profit</b>	<b>469</b>	462	4%
Operating margin %	54.7%	54.6%	0.1% pts

\* Adjusted for an equivalent 52 week basis



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# Managed Operating Profit

	2007/08 53 weeks	2006/07 52 weeks	Change average per pub*
Average number of pubs	<b>870</b>	1,191	
Drinks	395	519	2%
Food	269	286	26%
Machines & other	39	55	(5)%
<b>Total Revenue</b>	<b>703</b>	<b>860</b>	<b>10%</b>
Drinks	299	397	1%
Food	171	182	26%
Machines & other	37	53	(7)%
<b>Total Gross Profit</b>	<b>507</b>	<b>631</b>	<b>8%</b>
Labour costs	(190)	(222)	(15)%
Utilities	(26)	(33)	(8)%
Other pub costs	(88)	(104)	(13)%
Rent Payable	(39)	(45)	(19)%
Support Costs	(34)	(46)	1%
<b>EBITDA</b>	<b>130</b>	<b>183</b>	<b>(4)%</b>
Depreciation	(42)	(39)	(43)%
<b>Operating profit</b>	<b>88</b>	<b>144</b>	<b>(17)%</b>
Operating margin %	12.6%	16.7%	(4.1)% pts

\* Adjusted for an equivalent 52 week basis



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# Securitisation Summary – data sheet

	Punch A	Punch B	Spirit
Pub numbers			
Managed	-	-	776
Leased	3,876	2,749	629
Total	3,876	2,749	1,405
EBITDA - pro forma (£m)	254	157	185
EBITDA/pub (£000's)	66	57	132
Debt at 28 October	1,990	1,223	1,250
Debt to EBITDA	7.8x	7.8x	6.8x

\*Adjusted to 52 weeks and post October 2008 pub transfers



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# Punch A securitisation – data sheet

	FY08	FY09	FY10	FY11
EBITDA	267			
Interest receivable	4			
Interest payable	(147)	(140)	(137)	(136)
Capital payable <sup>1</sup>	(27)	(14)	(18)	(30)
DSCR	1.58x			
EBITDA adjustment: pubs sold - Oct 08 financing		(7)	(8)	(8)
FY08 week 53 adjustment		(5)	(5)	(5)
Financial DSCR covenant 1.25x		FY09	FY10	FY11
- Indicative EBITDA to meet DSCR covenant		187	189	202
- headroom vs FY08 (adj for Oct'08 financing & wk 53)		27%	26%	21%
Up-stream (RPC) test 1.50x		FY09	FY10	FY11
- Indicative EBITDA to meet RPC test		224	226	242
- headroom vs FY08 (adj for Oct'08 financing & wk 53)		12%	11%	5%

- October 2008 financing:
  - £77m A3 notes repaid and cancelled for £73m
  - Funded through the sale of £50m of pubs to Spirit and £30m to the unsecuritised group
  - FY09 & FY10 Debt Service reduced by £22m in each year
- Proforma Financial Covenant headroom based on FY08:
  - FY09 - 27%; £68m
  - FY10 - 26%; £65m
- Cash upstream tested annually on a 1-quarter and 4-quarter look back

<sup>1</sup>Calculated on an accruals basis



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# Punch B securitisation – data sheet

	FY08	FY09	FY10	FY11
EBITDA	160			
Interest receivable	4			
Interest payable	(79)	(76)	(76)	(74)
Capital payable <sup>1</sup>	-	-	(22)	(35)
DSCR	2.13x			
<b>FY08 week 53 adjustment</b>				
		(3)	(3)	(3)
<b>Financial DSCR covenant</b>				
		FY09	FY10	FY11
- DSCR covenant ratio <sup>2</sup>		1.50x	1.25x	1.25x
- Indicative EBITDA to meet DSCR covenant		109	117	131
- headroom vs FY08 (adj for wk 53)		31%	26%	17%
<b>Up-stream (RPC) test<sup>2</sup></b>				
		FY09	FY10	FY11
- DSCR up-stream test ratio		1.85x	1.50x	1.50x
- Indicative EBITDA to meet RPC test		134	140	157
- headroom vs FY08 (adj for wk 53)		15%	11%	0%

- October 2008 financing:
  - £25m A8 notes repaid and cancelled for £20m
  - Efficient use of surplus cash
- Proforma Financial Covenant headroom based on FY08:
  - FY09 - 31%; £48m
  - FY10 - 26%; £40m
- Cash upstream tested semi-annually on a 1-quarter and 4-quarter look back

<sup>1</sup>Calculated on an accruals basis

<sup>2</sup> Ratios step down between August 2009 and August 2010



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# Spirit securitisation – data sheet

	FY08	FY09	FY10	FY11
Free Cash Flow	165			
Debt Service	(85)	(83)	(83)	(83)
Synthetic Debt Service	(100)	(99)	(99)	(99)
DSCR	1.95x			
DSCR - opflex	1.64x			
EBITDA adjustment: pubs acquired - Oct'08 financing				
		4	5	5
FY08 week 53 adjustment				
		(3)	(3)	(3)
Financial DSCR covenant 1.30x				
		FY09	FY10	FY11
- Indicative Free Cash Flow to meet DSCR covenant		108	108	108
- headroom vs FY08 (adj for Oct'08 financing & wk 53)		35%	35%	35%
Up-stream (RPC) Opflex test 1.70x				
		FY09	FY10	FY11
- Indicative Free Cash Flow to meet RPC test		167	167	167
- headroom vs FY08 (adj for Oct'08 financing & wk 53)		-1%	0%	0%

- October 2008 financing:
  - Acquired pubs valued at £50m from Punch A
  - Efficient use of security net cash
- Proforma Financial Covenant headroom based on FY08:
  - FY09 - 35%; £58m
  - FY10 - 35%; £59m
- Cash upstream tested semi-annually on a 1-quarter and 4-quarter look back



<sup>1</sup>Calculated on an accruals basis

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