

PUNCH TAVERNS PLC

Interim Management Statement for the 16 weeks to 10 December 2011

BUSINESS PERFORMANCE IN LINE WITH MANAGEMENT EXPECTATIONS

Trading

- Average net income per pub across the full estate +1.3%
- Core estate: Like-for-like net income –1.5% (-2.1% 52 weeks to August 2011)
- Non-core estate: Like-for-like net income –10.4% (-13% 52 weeks to August 2011)
- Disposal proceeds of £31 million, slightly ahead of book value

Average net income per pub across the full estate of 4,888 pubs increased by 1.3% over the quarter, benefiting from the ongoing disposal of non-core assets.

Core estate

Like-for-like net income trends in our core estate of 2,948 pubs declined by 1.5%, a slight improvement on that seen in our 2011 financial year. Within this, pubs in the South of the UK continue to show an improved performance with a growth in like-for-like net income, offset by declines in the North of the UK.

The percentage of pubs on substantive agreements remains at 95% and we are seeing healthy levels of interest from new applicants. The number of closed pubs in the Core estate remains very low at just 11 and less than 2% of our estate is on tenancy-at-will agreements for which we are actively seeking new applicants.

We continue to build on the popularity of the Punch Buying Club with 25% of our drinks orders now placed online (21% at August 2011). We recently completed our 2011 roadshows, the largest in the sector, with over 48% of our Partners attending, bringing together a wide range of suppliers of drinks, food, services and expertise, all to help our Partners build their businesses.

Maximising value from non-core assets

We remain on track to dispose of between 400 and 500 non-core pubs for the full year. During the quarter we sold 116 pubs, together with other assets for proceeds of £31 million, slightly ahead of book value. The disposed pubs generated just £1.2 million of EBITDA over the last 12 months, demonstrating the accretive nature of these disposals.

Capital structure review

As announced at the time of our preliminary results, we are actively reviewing options with a view to optimising our capital structure and to facilitate our plan to downsize the estate effectively. This review is currently ongoing and, accordingly, we will engage in a dialogue with stakeholders at the appropriate time.

Whilst reviewing these options, we continued to provide financial support to the securitisations (Punch A and Punch B) during the quarter. Without this support the DSCR's (Debt Service Cover Ratio) would have remained below their respective financial covenant levels.

Roger Whiteside, Chief Executive Officer of Punch Taverns plc, commented:

"Trading in the first sixteen weeks of the financial year has been broadly in line with management expectations. While the UK consumer environment is likely to remain challenging for at least the near-term, we have a clear operational plan to return the core estate to growth in the medium-term and extract maximum value from our non-core assets."

- Ends -

ENQUIRIES;

Punch Taverns plc

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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.