

PUNCH TAVERNS PLC

Third Quarter Trading Update for the 12 weeks to 28 May 2011

Highlights

- Progress in all areas of the business
- Strong sales growth in Spirit
- Further improvement in trends in Punch
- On track to meet our full year expectations
- Good progress on demerger plans

Spirit

- Managed like-for-like sales +7.3% (+5.7% 40 weeks)
 - Food +8.4% (+7.0% 40 weeks)
 - Drink +7.3% (+5.0% 40 weeks)
- Leased like for like net income -0.7% (-3.9% 40 weeks)

The Spirit Managed business has delivered another quarter of strong sales growth. Whilst good weather has undoubtedly helped trading, our focus on operational excellence and continued investment in the estate has again seen us outperform the market.¹ Uninvested pub sales grew by 3.5% in the period. During the 40 weeks to 28 May 2011 we have refurbished 160 pubs, focusing our activities on building our Chef & Brewer, Fayre & Square and Flaming Grill brands.

Like for like net income for the 552 leased pubs in the Spirit debenture was down 0.7%. We have begun the process of converting some of these pubs to our Managed brands.

Punch

- Like-for-like net income -3.3% (-5.8% 40 weeks)
- Average net income per pub +1.3% (40 weeks)

The Pathway to Partnership programme continues to deliver benefits with the rate of like-for-like decline improving again. Our ongoing disposal programme, together with improved like-for-like trends, has resulted in growth in net income per pub of 1.3%.

Following the strategic review announcement on 22 March 2011, we have now completed the reorganisation of our field operations team to create the Core and Turnaround divisions within Punch and to separate the Spirit leased division. This has resulted in a number of transfers between the Core and Turnaround divisions but the overall number of pubs in each remains in line with the figures announced previously. As at 28 May, there were 2,956 pubs in the Core division, and 2,182 pubs in the Turnaround division.

Demerger

We continue to make good progress on the demerger, which we expect to complete by the end of the summer.

Further to our announcement on 10 May 2011, Roddy Murray has decided not to take up the role of Finance Director Designate for Spirit. Russell Margerrison, who is currently Group Business Planning Director and has been leading the operational separation of the business, will assume the role of Interim Finance Director of Spirit. Russell has been with Punch since the beginning of the year. He was previously Managing Director Trading and Finance Director for Tour Operations at Thomas Cook, Finance Director at Rank Holidays and spent 15 years in various management positions with Bass.

Ian Dyson, Chief Executive Officer of Punch Taverns plc, commented:

"We are pleased that our operational initiatives continue to translate into improved performance for both Spirit and Punch. This has been achieved during a period of substantial change as we prepare for the proposed demerger of Spirit. Despite the challenging UK consumer environment we are on track to meet our full year expectations."

- Ends -

ENQUIRIES;

Punch Taverns plc

Ian Dyson, Chief Executive

Steve Dando, Finance Director

Sarah Perrins, Head of PR & Communications

Tel: 020 7255 4000

Brunswick Group LLP

Mike Smith

Catherine Hicks

Nina Coad

Tel: 0207 404 5959

Conference Call

There will be a conference call for analysts and investors at 9.00am today on:

Participant Dial in: +44 (0) 1452 561 263

Conference ID: 71062056

The title of the call is Punch Taverns Trading Statement.

A replay of the call will be available by calling:

Replay of the call: +44 (0) 1452 550 000

Access code: 71062056#

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.