

Punch Partnerships Update

Roger Whiteside

Our Goal: To be the most trusted and best value pub partnership business in the UK.

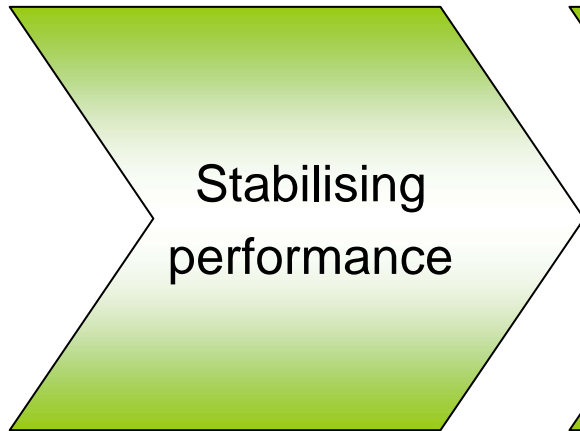


PASSIONATE ABOUT OUR PUBS

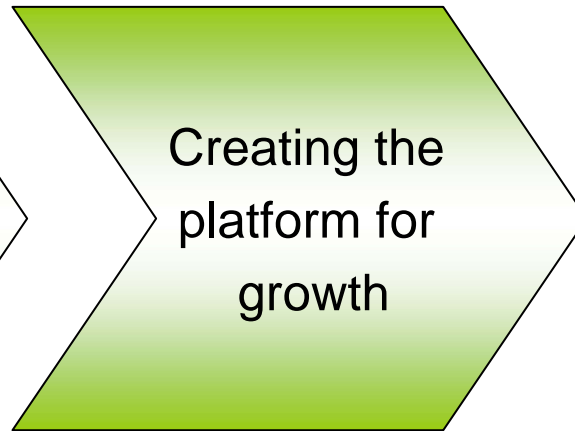


Three Phases of Activity

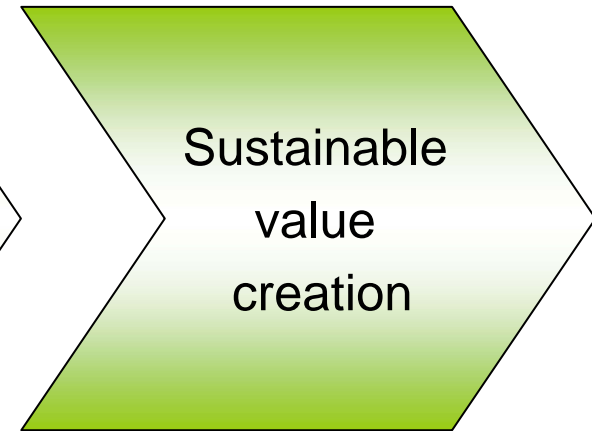
Phase 1



Phase 2



Phase 3



Stabilising Performance

- Disposed of further 900 pubs in year
 - Targeting core estate of 4,700 pubs
- Invested in over 800 pubs at £45m
- Support costs stable at £2m per month
- Lead indicators starting to look better
 - Pub failures 46% lower
 - Letting improving 86% substantive
 - Beer volume decline slowing to minus 7%
 - Rent roll stable
 - Average EBITDA per pub minus 6%
- LFL EBITDA decline beginning to slow



7 Projects for Growth

1. Core Estate Review

- Turnaround division now complete
- Driving core investment pipeline

2. Recruit the Right Partner

- Processes overhauled
- Focus on attraction and quality

3. Role of the BRM

- On trial in the South West
- Rolling out rent specialists

4. Ready for Business

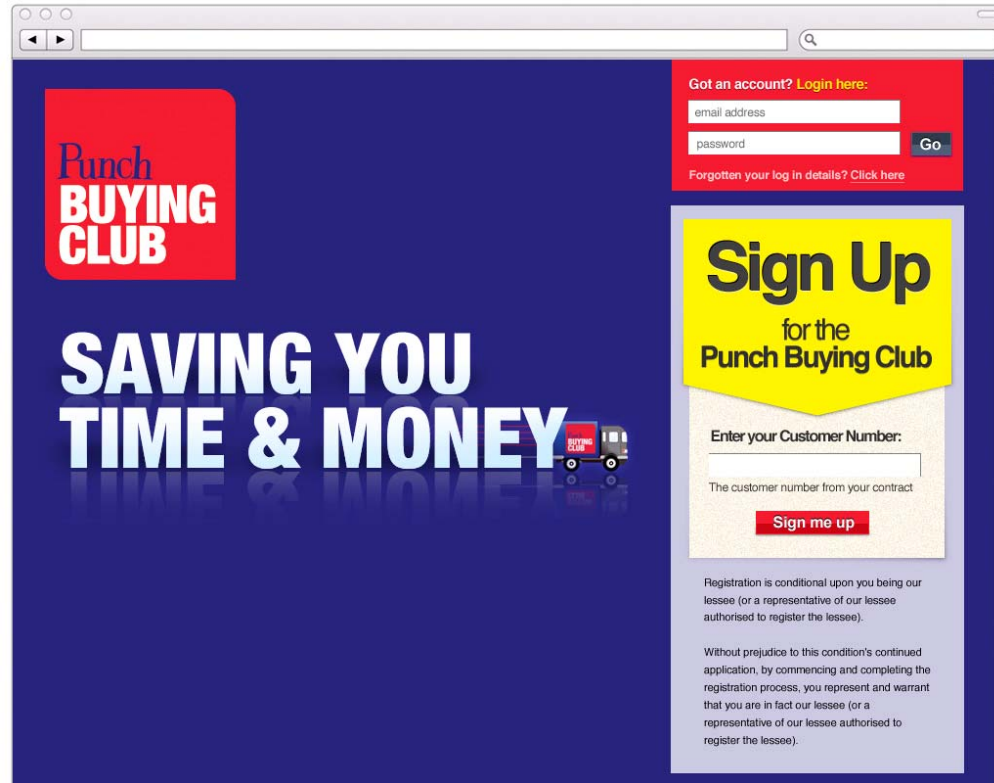
- Launched nationally in August
- Aiming to improve returns as TAW and improve letting performance



7 Projects for Growth

5. Punch Buying Club

- Director of Buying Club appointed
- First release last month – over 500 active Partners



7 Projects for Growth

6. Punch Buying Club Agreement

- Launched in Southern region last week
- Clear choice between rent and tied beer discount
- Best value and service on everything else
- Roll out planned for January 2011

YOUR CHOICE
INCENTIVISING GROWTH WITH OUR
NEW PUNCH BUYING CLUB AGREEMENT

Exciting small
business opportunities!

For further details please contact our Recruitment
and Lettings team on: 0844 848 3266

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or visit our website www.punchtaverns.com

PASSIONATE ABOUT OUR PUBS



7 Projects for Growth

7. Code of practice

- Accredited by BII in June 2010
- Hard copies being delivered by BRMs to partners
- Compliance forms part of BRM bonus scheme



Sustainable Value Creation

- Well invested core estate of pubs with diversified revenue streams
- Motivated partners proud members of the best pub club in the UK
- A One–Stop shop providing best value in everything needed to operate pubs successfully
- Best advice and service from qualified BRMs
- A clear link between rent and tied beer prices enabling a positive relationship built on transparency and trust
- Driving growth for all stakeholders



Summary

- **A clear vision for the business**
- **A 3 phase plan**
 1. Lead indicators starting to improve
 2. 7 projects launched and in roll out
 3. Developing a model to drive growth for all stakeholders

