



HELPING RETAILERS BUILD BETTER BUSINESSES

# Appendices

# Avebury Fact Sheet

## Indicative Trading

Turnover £m: Yr to Apr 05

Beer	24
Rent	10
Machines	2
Other	3
<b>Total</b>	<b>40</b>

Gross Profit £m:

Beer	10
Rent	10
Machines	2
Other	1
<b>Total</b>	<b>22</b>

Costs (4)

EBITDA 19



- EBITDA per pub £46k
- Gross profit 56%
- 68% Long term agreements
- 63% Lager mix
- 95% Freehold / Long Leasehold
- Securitised debt of £108m (following agreed prepayment of £12m)
- Interest rate average of 7.8%

## FAIR VALUE

	£m
Investment:	
Acquisition	219
Fees	3
Securitised debt	(120)
<b>total</b>	<b>102</b>

Fair value:

Asset value	234
Securitised debt value	(144)
Working capital etc	(8)
<b>total</b>	<b>82</b>

Fair value adjustment to be amortised 20



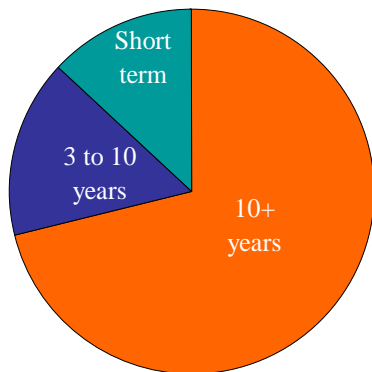
# Lease and Tenancy Agreements

Lease type at August 2005:

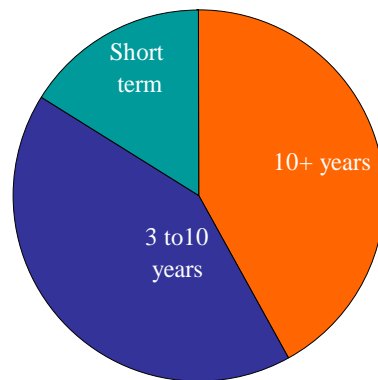
Retailer Agreement/PGL	28%
Standard lease	31%
Tenancy	31%
TAW	8%
Not trading	2%

- 59% of pubs now on long term leases (51% last year :
  - Punch 71%
  - Pubmaster 42%
  - InnSpired 79%
  - Avebury 68%
  
- Includes 957 pubs on new long term Retailer Agreement
  - 374 Pubmaster pubs

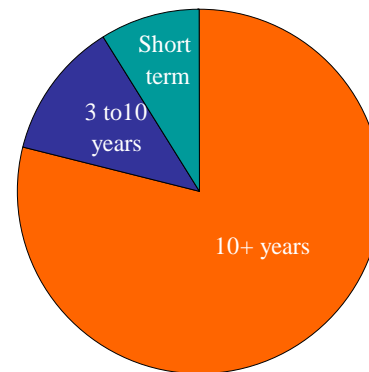
**Punch**



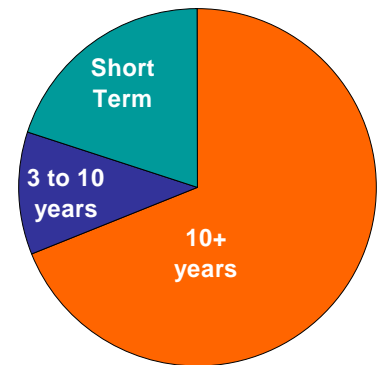
**Pubmaster**



**InnSpired**



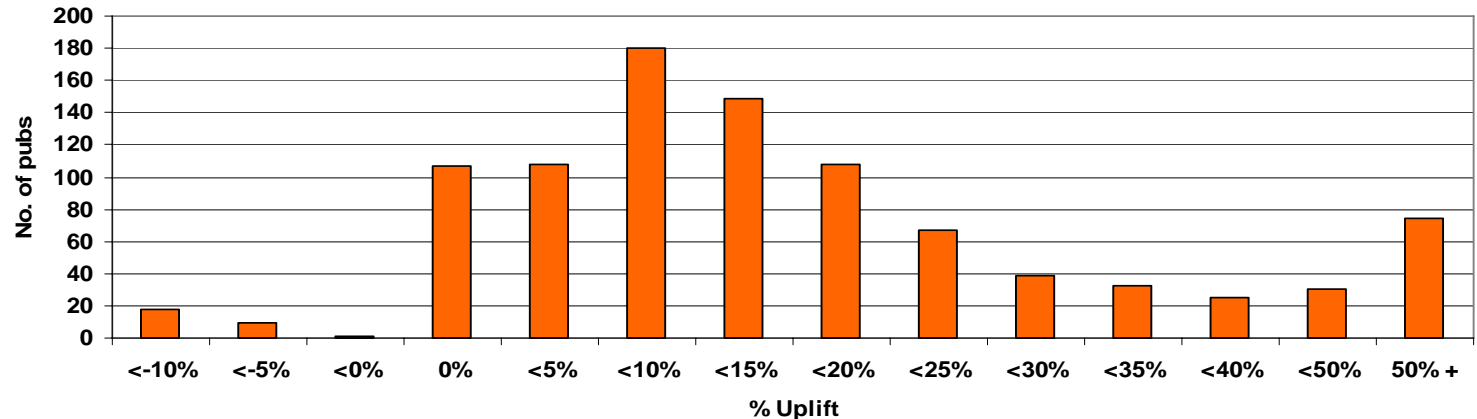
**Avebury**



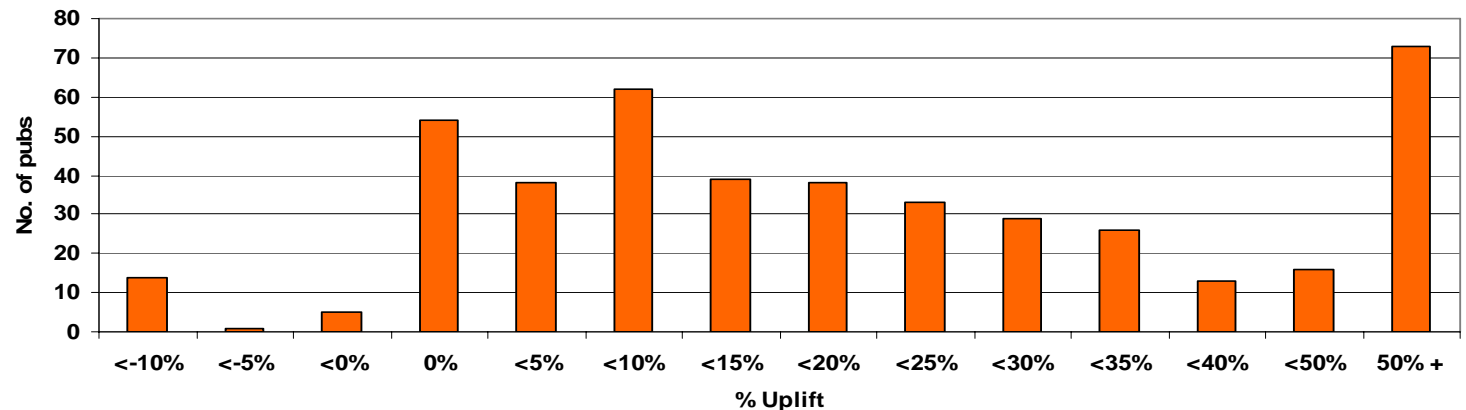
# Agreeing Fair Maintainable Rents

- Rent is assessed on the estimated fair maintainable retail profit of the individual pub
- Rent is negotiated and agreed with the retailer
- There are a wide spread of uplifts achieved demonstrating this 'individual' pub approach
- In 2005 in the Punch estate, 321 new rents have been agreed on renewals at an average uplift of 25%. 667 rent reviews have been agreed at an average uplift of 15%
- In exceptional difficulties, rent concessions are granted. At year end there were 151 such concessions, with annualised rental value of £2m.

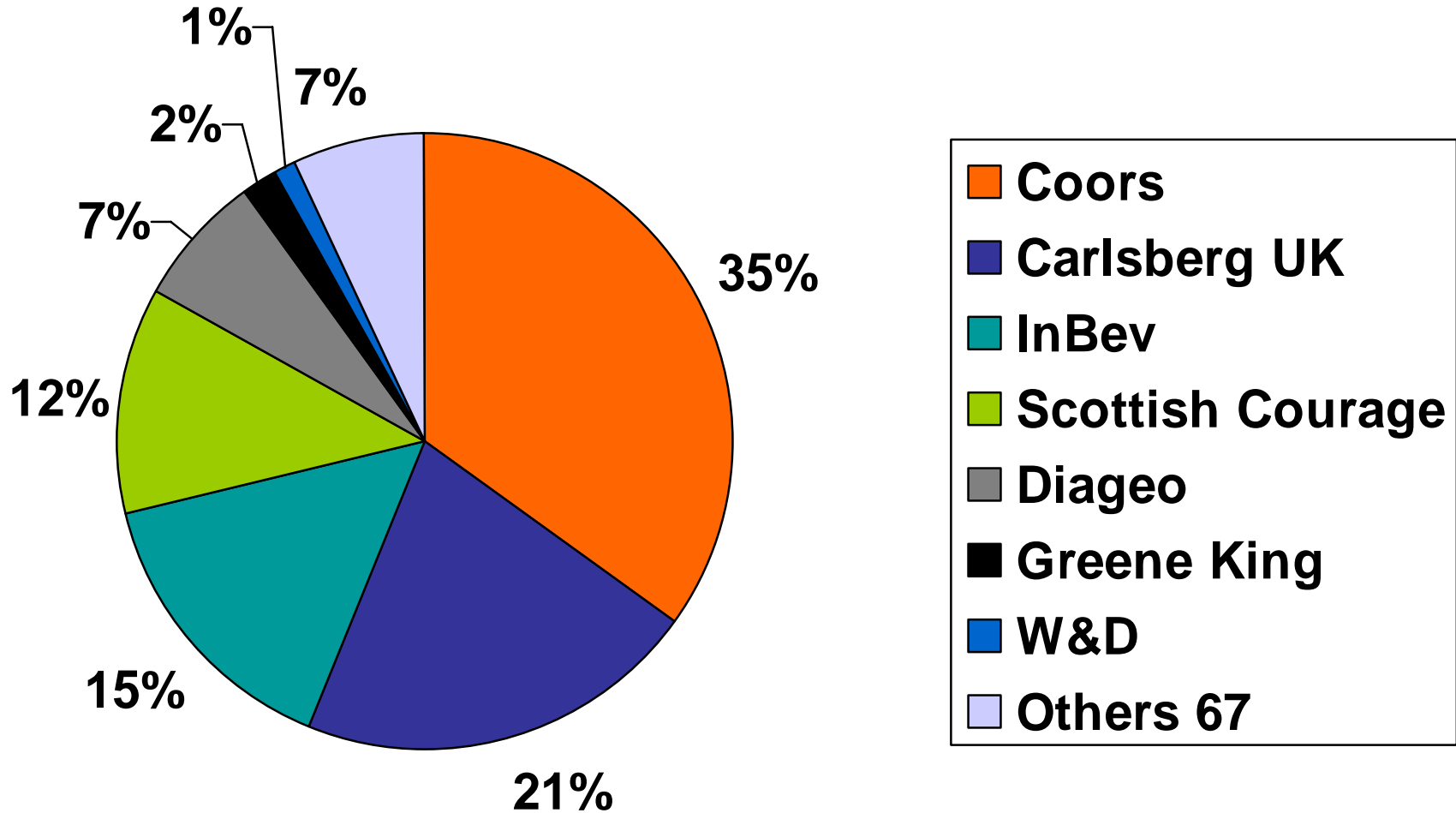
Punch estate  
Completed Rent Reviews  
2004 & 2005  
- Rental uplift achieved



Punch estate  
Completed Lease Renewals  
2004 & 2005  
- Rental uplift achieved



# Supplier Mix – Year to August 05

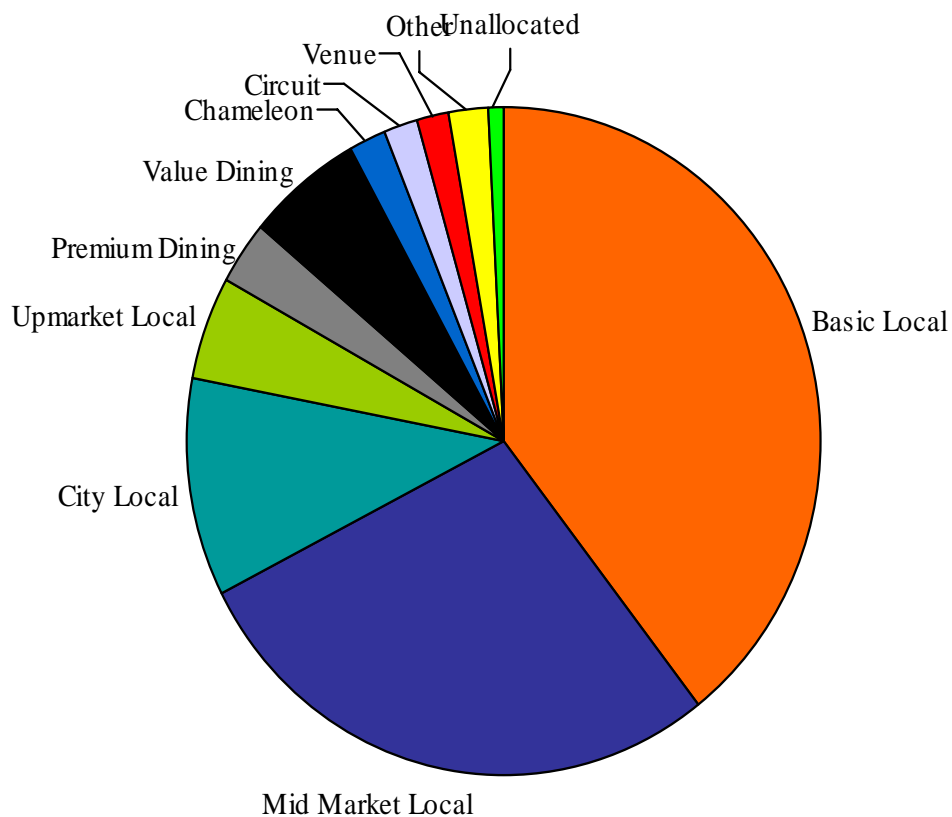


# National Coverage

<b>DTI REGION</b>	<b>Total</b>
Scotland	<b>453</b>
North	<b>485</b>
North West	<b>1,087</b>
Yorkshire & Humberside	<b>1,017</b>
Wales	<b>412</b>
West Midlands	<b>1,036</b>
East Midlands	<b>533</b>
East Anglia	<b>354</b>
South West	<b>613</b>
London	<b>396</b>
South East	<b>1,432</b>
<b>Total (August 2005)</b>	<b>7,818</b>

<b>Avebury</b>	<b>Total</b>
3	<b>456</b>
35	<b>520</b>
61	<b>1,148</b>
67	<b>1,084</b>
25	<b>437</b>
55	<b>1,091</b>
22	<b>555</b>
5	<b>359</b>
35	<b>648</b>
29	<b>425</b>
72	<b>1,504</b>
<b>409</b>	<b>8,227</b>

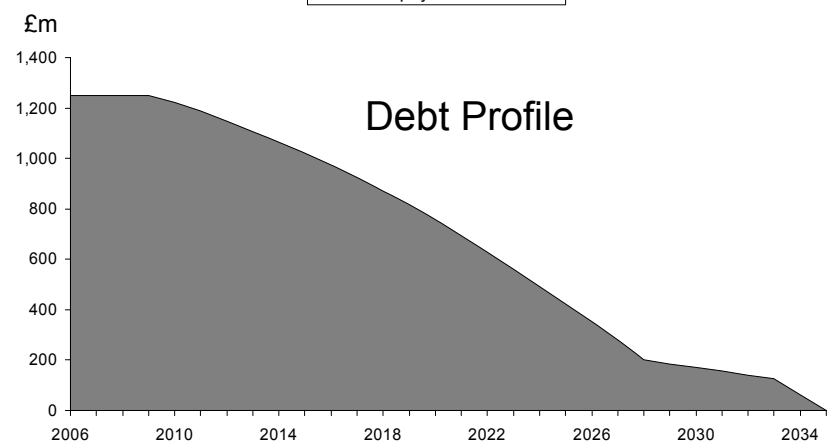
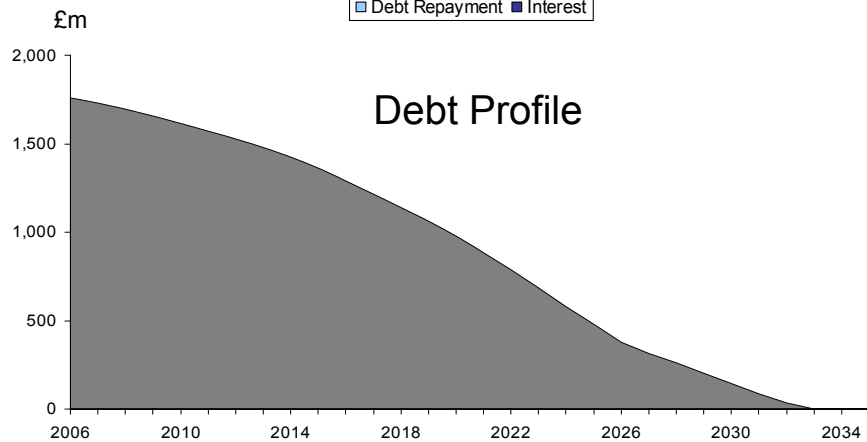
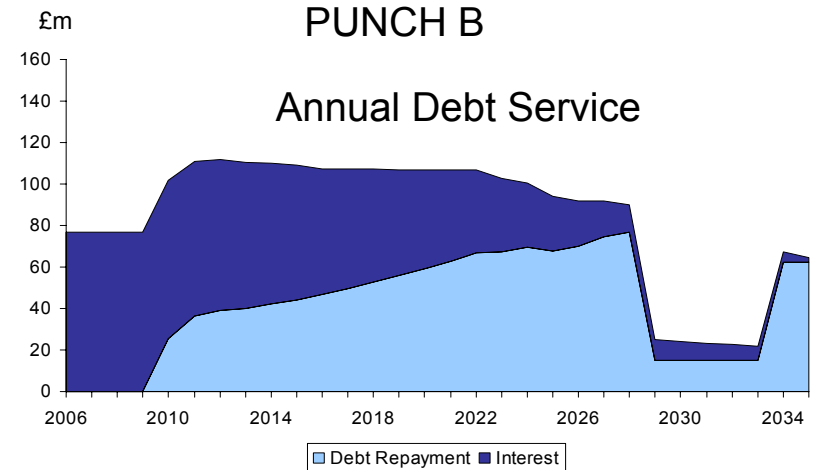
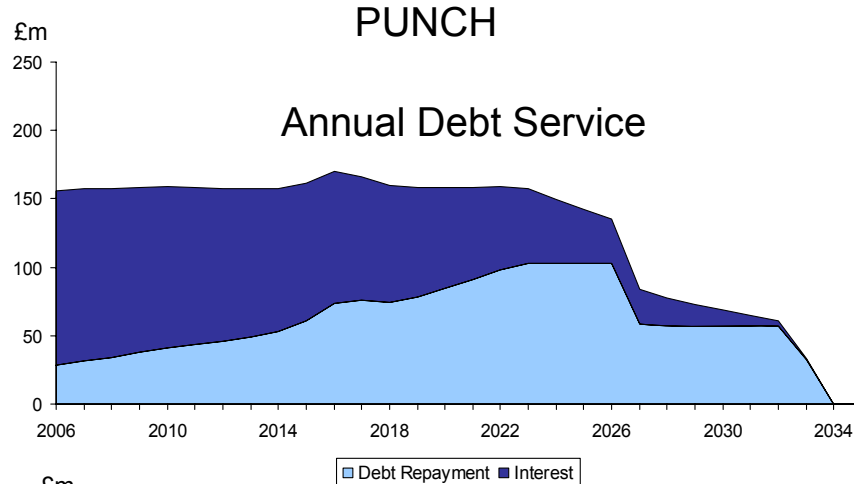
# Most Pubs are Community Locals



	Punch	Pubmaster	Innspired	Total
Basic Local	1,520	1,408	155	3,083
Mid Market Local	1,278	786	128	2,192
City Local	520	196	106	822
Upmarket Local	271	112	11	394
Premium Dining	157	81	6	244
Value Dining	210	190	48	448
Chameleon	127	30	2	159
Circuit	92	23	5	120
Venue	92	46	2	140
Others	112	36	8	156
Unallocated	58	2		60
<b>Total Pubs (20th August 2005)</b>	<b>4,437</b>	<b>2,910</b>	<b>471</b>	<b>7,818</b>

Avebury estate yet to be segmented

# Securitised Debt Profiles



- Both structures are fully repaid over the next 30 years.
- Debt service is steady and easily affordable from operating cash flow
- Avebury has similar profile for debt of £108m.

# Illustrative Investment Considerations

## HOW TO SPEND £100m FREE CASH

	incremental EBITDA	incremental PBT	EPS accretion (p)
Investment (25% return)	25	25	6.9
Acquisition - (£400m at 12% return)	48	27	7.5
Share buy back @ £7.50 per share			3.1
Repay debt at 7%		7	1.9

## ACCELERATING “INFLATION +” GROWTH

	Year 1	Year 2	Growth
EBITDA	100	105	5%
Interest	(50)	(50)	
PBT	50	55	10%
EPS			10%

Example: Assume interest cover of 2x

Preliminary Results 2005

## GROWING SHAREHOLDER FUNDS

