

PUNCH TAVERNS PLC

("Punch" or "the Group")

Completion of Debt Restructuring

Punch Taverns confirms the successful completion of the debt restructuring as announced on 1st July.

This restructuring completes the refinancing of the Pubmaster and InnSpired acquisitions and makes new cash available to the Group. It will improve the efficiency of Punch's debt funding, replace short term borrowing with long term securitised finance, reduce overall interest rates, and modernise the Group's corporate debt structure.

In particular, the Pubmaster debt securitisation (now renamed Punch Taverns Finance B) has been extended to include a total of 3,176 pubs, and covenants have been amended to improve operational flexibility. The debt quantum in this securitisation has been increased from £0.88bn to £1.25bn, with the proceeds used to repay short term borrowings and leaving some £150m new cash available to the Group. The average interest cost of the new issuance is 5.4%, reducing the blended average interest rate on this securitisation from 6.9% to 6.2%, including the costs of hedging.

Following this restructure, 7,353 (94%) of Punch Taverns' pubs are securitised, with a combined debt of £3.04bn. This debt is investment grade, entirely at fixed rates of interest averaging 6.8%, and fully amortising by 2035.

Punch Taverns has separately announced the acquisition of Avebury Taverns, which is progressing well and is due to complete on 5th August.

1 August 2005

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