

PUNCH TAVERNS PLC ("Punch" or "the Group")

Debt Restructuring

In April, Punch Taverns plc announced a review of options to refinance short term debt used to fund recent acquisitions, including the acquisition of the InnSpired Group. The Company has now decided to incorporate these new assets into the Pubmaster securitisation (Pubmaster Finance Limited) and to make certain other improvements to that securitised structure.

The expected impact of this refinancing will be to increase the long term securitised debt of the Punch Group to approximately £3.04bn, reduce the weighted average cost of that debt, and create approximately £150m of new cash after repayment of all short term borrowings. All securitised debt will be at fixed or effectively fixed rates of interest, and repayable over terms extending to 2035.

A circular is being issued today which seeks the approval of the holders of Pubmaster Finance Limited fixed rate notes to:

- incorporate the inclusion of 663 pubs currently outside the Pubmaster securitisation (including 471 pubs retained from the InnSpired acquisition) and the removal of 400 lower profit pubs from the Pubmaster securitisation;
- update the terms and conditions of the fixed rate notes and the financial and operating covenants to align them with current market convention and to make them more consistent with the Group's other securitisation, Punch Taverns Finance; and
- increase the net debt supported by the enhanced cash flows of the improved portfolio of pubs.

Subject to obtaining requisite approvals, the Company intends to issue new fixed and floating rate notes to replace the existing Pubmaster floating rate notes. It is expected that marketing of the new notes will commence during July and that the process will be completed in early August.

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