

Punch Taverns plc

2009 Preliminary Results

Highlights and Summary



Forward Looking Statements

This presentation 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

Who We Are

- Britain's largest pub group, with a £5.4 billion largely freehold pub estate
 - Punch Partnerships operating 6,841 leased and tenanted pubs
 - Punch Pub Company operating 835 managed pubs
- Our pubs comprise some of the finest inns and taverns spread throughout the British Isles
 - We sell over 1 million pints of beer every day
 - We sell c.40 million meals in our managed pubs every year
- Group funded by £3.5 billion (net) long term mortgage finance with no refinancing requirements
 - Weighted average life of 18 years
 - Weighted average cost 6.8%
- Recent equity raise has strengthened financial position, facilitating removal of the convertible bond and support to the group's businesses
- Gearing levels in line with peer group and targeted to reduce further through continued disposal of non-core assets



Challenging Market Conditions

- Short term challenges for the sector
 - Credit crunch & recession
 - Consumer confidence, whilst improving, was at an all time low in year (1)
 - Significant reduction in on-trade beer volumes over last 2 years
 - Changed customer profile post smoking ban
- Significant opportunities in the longer term
 - Fewer, higher quality pubs
 - Growing population – 70m + by 2031 (2)
 - Greater leisure spend propensity – in 2007 recreation, eating out, drinking out and hotel accommodation accounted for 22% of household expenditure (3)
 - Pubs are still the community hub

(1) Nationwide Building Society Confidence Barometer

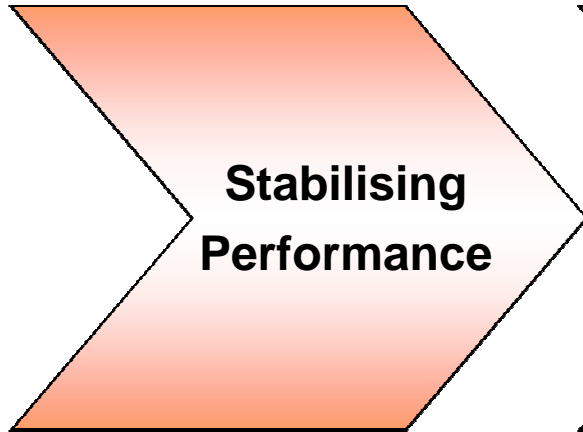
(2) Office of National Statistics

(3) ONS Expenditure by COICOP category, 2007

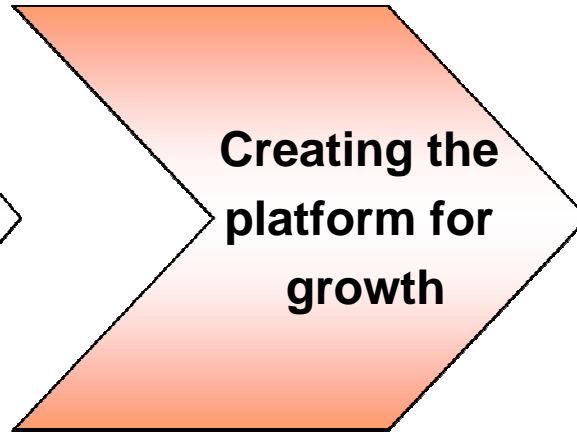


Meeting The Challenge

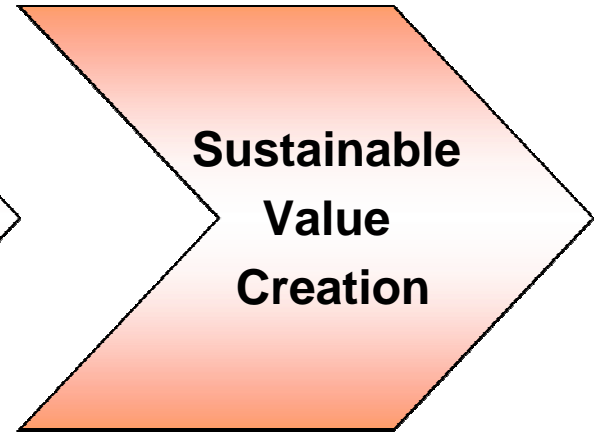
Phase 1



Phase 2



Phase 3



Early Action Taken To Address Market Conditions

Strengthened Management Team	<ul style="list-style-type: none">• New leadership of operating teams• Support teams reorganised	✓
Stabilising Operating Performance	Leased: Proactive tenant support Improving estate quality Disposal of uneconomic pubs Managed: Improved value proposition Focus on operational excellence	✓
Increased Cash Generation	<ul style="list-style-type: none">• Reduced head office costs• Focused capital expenditure• Accelerated disposals programme	✓
Reduced Debt	<ul style="list-style-type: none">• Net debt reduced by more than £1 billion• Gross debt reduced by £708m at cost of £473m• Gross debt reduced by further £301m since y.end• £375m gross equity raised	✓



Repositioning Business For Future Growth

- **Consumers are highly loyal to pubs but are currently cautious spenders**
 - No shift away from pubs BUT customer expectations are rising and must be met
 - Polarisation of best pubs and publicans
 - Our estate strategy is focused on retaining those pubs with the best long term growth characteristics
- **Dealt with balance sheet issues ahead of expectations**
 - No refinancing requirements
 - NAV per share 260p (post balance sheet adjustments)
 - We have, and always will, focus on maximising shareholder value through our strategic activities, having regard to the market conditions
- **Repositioning operations for economic upturn**
 - Streamlining and developing estate
 - Improving customer offer across the whole estate
 - Focusing on ensuring our retained estate is well invested and meets customer expectations
- **We will maintain an appropriate level of debt**
 - A trigger for growth when recovery happens



Summary and Outlook

- Challenging market conditions
- Meeting the challenge
 - Stabilising performance
 - Creating the platform for growth
 - Sustainable value creation
- Early action taken to address market conditions
- Repositioning business for future growth

