

PUNCH TAVERNS PLC

("Punch" or "the Group")

Interim Results for the 28 weeks to 6 March 2010

Results in line with expectations

Financial Performance*

- EBITDA of £225 million (2009: £275 million)
- Profit before tax of £66 million (2009: £82 million)
- Disposal proceeds of £198 million, mainly from non-core assets - achieved at an average multiple of 13x EBITDA and ahead of book value
- Basic earnings per share of 7.5p
- Net Asset Value per share of 272p

Statutory Results (after exceptional items) **

- Profit after exceptional items of £59 million following a net exceptional credit of £11 million
- Basic earnings per share after exceptional items of 9.2p

Capital Structure

- Net debt reduced by a further £188 million (5%) to £3,277 million in the 28 week period, a total reduction of £1,254 million (28%) over the last 18 months
- Outstanding securitised debt has a 17 year average maturity and weighted average cost of 6.8%
- Continue to make good progress with the asset disposal programme, focusing on non-core asset sales, on track to generate £300 million of proceeds for the full financial year
- Debt repayments have helped maintain headroom against financial covenants and we are confident that actions management has taken to date and continues to take will provide sufficient ongoing headroom to our key DSCR financial covenants

Leased Estate

- Pubs returned from partners at their lowest level for two years and 40% down on the previous year
- 82% of the estate is let on substantive agreements, in line with the end of the last financial year
- Lessee partner support levels stable at £2 million per month
- Majority of beer price increases to our partners limited to 1% against wholesale price increases of 3%
- New 'Punch Buying Club' lease agreement to include free of tie options; Punch Charter being updated to exceed standards of Industry Framework Code

Managed Estate

- Completed the implementation of Operational Excellence programme
- Employee retention up 40%
- Guest advocacy measures up 15%
- Stabilisation of operating margin
- Initial pilots of new concepts complete with rollout across the estate to commence from the second half of the year

* before exceptional items

** full analysis of exceptional items are shown in note 3 to the Financial Statements

Peter Cawdron, Chairman of Punch Taverns plc, commented

"There is no doubt that conditions remain challenging across the economy and especially in the pub sector. Punch is committed to working with its licensee partners, employees, trade bodies, regulators and guests to support the future of the great British pub. We firmly believe that the actions we have taken and will continue to take are the right ones to deliver long term sustainable growth for Punch and all stakeholders."

22 April 2010

Enquiries;

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Forward-looking statements

This report contains 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.

The interim results presentation will be available on the Group's website at www.punchtaverns.com

A live video webcast of the presentation will also be available on the investor section on the above website from 9.00 BST.

INTERIM RESULTS FOR THE 28 WEEKS TO 6 MARCH 2010

Business overview

Punch Taverns plc is the UK's leading pub operator of over 7,100 leased, tenanted and managed pubs.

The Group has scale across the market, being number two by number of leased and tenanted pubs, as well as number two by number of managed pubs.

Due to fundamental market changes in the UK on-trade brought about by the smoking ban, counter-productive tax and duty increases and the wider recessionary conditions, the sector has experienced significant beer volume declines in each of the last two years. Further, the volume reduction has been more acute in smaller drinks led pubs, where profits have reduced substantially. In response to these challenges we have set out a clear plan to create a more sustainable future for our pubs and all stakeholders. We are making good progress towards our long term goals, as outlined in more detail below.

Over the past two years we have taken bold steps to address our debt levels, focus on a smaller higher quality estate and implement operational strategies across both sides of the business that we believe will enable us to deliver growth in the long term.

Some of the decisions we have taken, such as increasing financial support to our lessee partners and limiting beer price increases have put pressure on short term profitability. However, we are confident that these decisions will provide the platform for improved profitability in the longer term and it is pleasing to see that our interim results are in line with our expectations.

Industry overview

The sector continues to operate in an unfavourable economic environment and under significant regulatory scrutiny. Nevertheless, against this backdrop we remain committed to moving forward to securing a positive future for the great British pub.

We have adopted a measured and balanced approach and are keen to maintain the dialogue with all key participants to make positive progress for the future. We continue to play an active role in supporting key industry bodies including the BBPA, BII, FLVA, ALMR and APPBG. We have been active participants with Pub is the Hub since its inception, providing support both financially and through our personnel. We have also made long standing commitments to support the Licensed Trade Charity and Pub Aid.

We welcome the positive initiatives recently announced by the new Minister for pubs but were disappointed that the latest Budget once again ignored the needs of the pub industry. The sector has been hard hit by recession and we sincerely hope that at some point a new Government will realise that continued above inflation duty rises on beer and cider are accelerating the migration of consumption to the off-trade at a significant loss of tax to the Exchequer and a major contributor to the demise of the British pub. The British pub is one of the cornerstones of our country's heritage and not only employs many thousands of people, but also plays a crucial role in bringing together and supporting our communities. We will continue to work with our partners and the industry to lobby the Government to take positive action to reduce unwanted and unnecessary burdens on our pubs, our partners and ultimately the consumer. Whilst the announced plan by the Government to support community pubs to the tune of £3.5 million is welcome, we commit to invest at least £60 million toward enhancing and developing community pubs over the course of the next year. This is in addition to over £20 million of financial support we are providing to our partners in these challenging times.

Leased estate

We have continued to evolve the leased business model as we focus on long term sustainable value creation for ourselves and our partners. A key element of this is our commitment to develop more open relationships with our partners through our strategic change programme called 'Pathway to Partnership', setting ourselves the ambitious goal of becoming the most trusted and best value pub partnership business in the UK.

In this continuing difficult economic environment, we believe that it is important to work closely with our partners, not only to help them develop their business but also to offer financial support where appropriate through rent concessions and special discount schemes. In the circumstances, we have taken proactive steps to increase our support which continues to run at £2 million per month, up from an average of £1.6 million per month last year, but in-line with the level announced in our December Interim Management Statement. In addition, we have once again restricted price increases to our partners, this year to an average of only 1% for the majority of beers compared to wholesale market price increases of c.3%. We believe that this is essential to allow our partners greater scope to determine pricing in a competitive market. We are beginning to see the benefit of this assistance with the number of pubs returned from our partners being materially down on the previous year and the number of closed and Tenancy at Will properties available for let also down on last year. Moreover, over the last few years the level of discount provided on beer to our partners on secure lease agreements has been rising consistently and it now stands at an average of in excess of £65 per barrel off the brewers national wholesale price. We believe that this compares favourably to the free market where discounts and supply deals have been declining, particularly when taking into account the extensive range of beers we provide from all of the major brewers in the UK.

We have developed further our leased business model by introducing a number of improvements to cement our commitment to build more open partnerships with our partners. We have re-launched our recruitment website with indications of expected earnings from running a particular pub together with a clear choice of rents linked to different levels of discount on tied products. We have hosted Partner Forums to source direct feedback from our partners and we are in the process of updating our Charter to ensure that it exceeds the standards laid out in the new Industry Framework Code of Practice. Application numbers are at a two year high and we are confident that the leased model continues to offer a very attractive proposition to entrepreneurs seeking a low cost method of entering the trade and running their own business.

The next stage in our Pathway to Partnership Programme involves reducing the number of pubs looked after by each of our Business Relationship Managers so that they can further enhance each sites capability. We are also launching our new Punch Buying Club Agreement which will offer partners the option of free of tie pricing and freedom to source local ales benefiting from Progressive Beer Duty.

While we remain committed to the future of the British pub, we believe that fundamental change in consumer habits will result in some pubs not surviving. Over the last 18 months, we have increased our level of disposal activity which has been skewed towards the least viable, non-core pubs within our leased estate. Within this financial year, we have disposed of 524 pubs, 74% of which have been non-core, at an average multiple of 13 times EBITDA, with proceeds being used to reduce indebtedness and to invest in our core estate. We have recently launched our £20 million 'Investing for Growth' initiative aiming to improve pub performance in over 400 pubs in time to benefit from the football World Cup this summer.

Management actions have had a positive impact on stabilising the estate, consistent with our focus on long term sustainability; however, profits remain under pressure due to ongoing beer volume decline in the on-trade, lower rental income from returned pubs and increased levels of partner support. There has been no material change in the rate of like for like EBITDA decline in the period, being down by 11%.

Our programme to dispose of non-core assets has further reduced EBITDA in the period by £2 million (c.£13 million annualised) resulting in an EBITDA for the period of £183 million.

Managed estate

As with the leased estate, management actions have been focused on stabilising business performance. Rather than pursuing unprofitable sales, emphasis has been moved towards trading the business more profitably through improvements in cost efficiencies and heightened control over gross margins. Significant improvements have been made in the purchasing of utilities and food ingredients, with the full benefits to flow through in the second half of the financial year.

As a result of these actions and despite continued inflationary cost pressures and higher rents after the return of leases following third party insolvencies, operating margins for the half year have improved by 0.3 percentage points. Like for like sales for the half year were down 3.4%, impacted by adverse weather in December and January. Consequently, on a like for like basis, EBITDA in the half year was broadly flat.

Our programme to dispose of non-core assets has reduced EBITDA in the year by £1 million (c.£2 million annualised), resulting in EBITDA for the half year of £40 million. On an ongoing basis, we will continue to consider the selective disposal of non-core assets at appropriate multiples.

Underpinning these actions has been the significant focus being placed on delivering our Operational Excellence programme. The objective has been to simplify ways of working, streamline pub structures and have the right people in place doing the right things. While we are still in the early stages of this programme, we are very pleased with the initial indications which have seen significant improvements in both employee retention (improved by 40 percentage points) and in guest advocacy measures (improved by 15 percentage points). The implementation phase of the programme is now complete, with focus shifting to embedding cultural change and financial benefits.

We have also completed a detailed estate review where each pub has been visited and assessed for its long term potential. Investment is being made to ensure that each site is in good order alongside the rollout of our new concepts. Over the last year, extensive pilots of new concept refurbishments have been undertaken. These pilot sites have been reviewed in detail, not only in terms of financial performance, but also in terms of guest feedback. Where necessary, adjustments to the pilot sites have been made and the results have again been reviewed in detail. It is our intention to now commence rollout across the estate, for example, the roll-out of the new Chef & Brewer concept will be completed in c.50 sites by August 2010, with the full rollout of new concepts being completed over the next three years. In accordance with previous guidance given, capital expenditure for the managed estate is expected to be c.£50 million per annum.

Our people

Punch employs over 17,000 people and we firmly believe that the quality of our people is crucial for our long term success and we aspire to recruit and retain the highest calibre team. Our commitment to building a highly engaged and motivated team was recently recognised by the Sunday Times Top 100 when Punch was awarded a 'One to Watch' status.

Developing our teams is at the core of everything we do. From the launch of our new apprenticeship and NVQ programmes to the introduction of our award winning ePlayers interactive pub based training and our Foundation for Success programme for new leased partners, we have driven the quality of our pub and support teams throughout the business.

Matthew Clark joint venture

Matthew Clark, the 50% joint venture with Constellation Brands Inc, continues to perform satisfactorily in a very competitive market, providing a post-tax contribution to the Punch Group of £2 million for the period. Matthew Clark has significant scale in its marketplace as the largest independent drinks wholesaler and distributor to the UK leisure and hospitality industry, with gross annual turnover of c.£600 million and c.20,000 customers.

Matthew Clark has a strong strategic fit with the Punch Group and has enabled Punch partners to benefit from an enhanced range of goods and services by leveraging Matthew Clark's market leading wines and spirits expertise.

Financial

The financial period comprised 28 weeks from 23 August 2009 to 6 March 2010, during which time we have generated profit before tax and exceptional items of £66 million (2009: £82 million). Basic earnings per share before exceptional items were 7.5p (2009: 23.1p), reflecting the increased number of shares following the July 2009 equity raise.

A number of exceptional items were incurred in the period, resulting in a credit of £11 million. The principal items were a £15 million charge for the mark-to-market of certain interest rate swaps, £32 million gain on the repurchase of debt, £11 million onerous lease provision, £2 million of reorganisation costs and £1 million profit on asset disposals. The tax effect of these items gave rise to an exceptional tax credit of £7 million.

The effective pre-exceptional tax charge was 28% (2009: 25%) with no cash tax paid in the period (2009: £8 million repayment).

As previously announced the Board considers it prudent to continue to retain cash and further strengthen the balance sheet. Consequently no dividend will be paid for the period.

Capital structure

Following the successful completion of our placing and open offer in July last year, all of the convertible debt has been repaid. At the half year end, net debt amounted to £3,277 million (August 2009: £3,465 million), which included £315 million of assets (£188 million of cash and £127 million of bonds) held outside the securitisation structures. Total Group cash reduced from £679 million at the August year end to £306 million at the March half year, the reduction being driven by the repayment of the convertible debt together with additional securitised debt purchases ahead of schedule.

Following the repayment of our convertible bond, all of our debt is in the form of long term mortgage type finance, secured on our sizeable freehold property portfolio. The debt fully repays over terms extending to 25 years and is all effectively at fixed rates of interest.

As with all debt finance of this type, there are covenant and performance tests. We have three debt finance vehicles; Punch A, Punch B and Spirit, all of which have a key DSCR (Debt Service Cover Ratio) test. Headroom in this key financial covenant has been maintained by our actions in repaying certain tranches of debt and by utilising cash held outside the debt structures to improve the performance within the debt structures.

In the light of the challenging trading conditions we have continued to review our debt levels and looked at opportunities to increase cash flow and repay debt. Our strong operational cash flow, together with our successful non-core asset disposal programme, has enabled the balance sheet to be substantially strengthened. Since the beginning of the financial year we have repaid £561 million of debt, £546 million of which was ahead of schedule, at a cost of £524 million.

Looking forward, we expect to continue to reduce the level of debt through retained cash generation and further non-core disposals, expected to be £300m in the 2010 financial year.

While current trading continues to be in line with our expectations, given the lack of visibility over future trading in a challenging market environment there could be circumstances where forecast revenues or cash flows are lower than expected. While the level of headroom in our covenants will reduce, as previously stated, we remain confident that the action management has taken to date and continues to take will provide sufficient headroom to allow us to meet all of our financial covenants going forwards.

Board changes

On 30 March 2010 Giles Thorley announced his intention to step down as Chief Executive and leave the Board. The process of appointing a successor as Chief Executive is underway and there will be an orderly transition of management.

The Board would like to express its gratitude to Giles for the incredible commitment and drive that he has brought to Punch during his time with the business. His dedication has not wavered and he will leave a business poised to benefit from an improvement in economic conditions. The Board wishes him every success in the next part of his career.

As previously announced, Fritz Ternofsky and Mike Foster who each joined the Board when Punch was floated in 2002, retired from the Board with effect from 31 March 2010. There are no plans to replace them given the previous appointment of Tony Rice and Ian Wilson as Non Executive Directors.

The Board would like to express its thanks to both Fritz and Mike who contributed significantly to the development of the Group during times of growth following flotation and more recently when it faced more recent challenges.

Our commitment to society

Punch is committed to developing its Corporate Social Responsibility credentials and has made significant progress in this area. We aim to reduce our carbon footprint by 17% from 2007 levels by December 2010 and remain on track to achieve this target. In February, the company was recognised with a British Institute of Innkeeping (BII) NITA Social Responsibilities Award in recognition of two carbon reduction training programmes in our leased and managed estates. The courses ensure that our partners and general managers understand the processes and changes which they can put in place to limit their energy consumption, helping their businesses to be more profitable and greener.

Our pubs remain at the heart of their local communities and continue to raise thousands of pounds every year for local charities and good causes. Over 134 of our pubs have registered with PubAid, raising more than £300,000 for good causes nationwide.

Principal risks and uncertainties

The principal risks and uncertainties for the Group were set out within the Business Review of the 2009 Annual Report which can be viewed on the Group's website www.punchtaverns.com. These have not materially changed in the period under review and continue to have the potential to affect the Group in the remaining 24 weeks of the year.

Current trading and outlook

Trading since the half year has continued in line with management's expectations. Trading over the Easter holiday period was good and slightly ahead of last year in the managed estate. While we remain on track to meet our expectations for the full financial year we are mindful that market conditions remain challenging and are likely to continue to be so for the near-term.

CONSOLIDATED CONDENSED INCOME STATEMENT

for the 28 weeks ended 6 March 2010

	28 weeks to 6 March 2010			28 weeks to 7 March 2009		
	Before exceptional items £m	Exceptional items (note 3) £m	Total £m	Before exceptional items £m	Exceptional items (note 3) £m	Total £m
Revenue	676.6	-	676.6	767.9	-	767.9
Operating costs before depreciation and amortisation	(453.4)	(13.3)	(466.7)	(494.1)	(28.3)	(522.4)
Share of post-tax profit from joint ventures	1.9	-	1.9	1.4	-	1.4
EBITDA¹	225.1	(13.3)	211.8	275.2	(28.3)	246.9
Depreciation, amortisation and impairment	(26.4)	-	(26.4)	(33.8)	(146.6)	(180.4)
Operating profit / (loss)	198.7	(13.3)	185.4	241.4	(174.9)	66.5
Profit / (loss) on sale of non-current assets	-	0.6	0.6	-	-	-
Finance income (note 5)	12.9	31.9	44.8	17.8	39.4	57.2
Finance costs (note 5)	(145.2)	-	(145.2)	(176.9)	-	(176.9)
Movement in fair value of interest rate swaps	-	(15.3)	(15.3)	-	(68.4)	(68.4)
Profit / (loss) before taxation	66.4	3.9	70.3	82.3	(203.9)	(121.6)
UK income tax (charge) / credit (note 6)	(18.3)	7.2	(11.1)	(20.8)	20.0	(0.8)
Profit / (loss) for the financial period attributable to equity shareholders	48.1	11.1	59.2	61.5	(183.9)	(122.4)
Earnings / (loss) per share (note 7)						
Basic (pence)	7.5		9.2	23.1		(45.9)
Diluted (pence)	7.5		9.2	23.1		(45.9)
Dividend per share paid or proposed in respect of the period (pence)			-			-
Total dividend paid or proposed in respect of the period (£m)			-			-

¹ EBITDA represents earnings before depreciation, amortisation and impairment, profit / (loss) on sale of non-current assets, finance income, finance costs, movement in fair value of interest rate swaps and UK income tax.

CONSOLIDATED CONDENSED INCOME STATEMENT continued
for the 28 weeks ended 6 March 2010

	52 weeks to 22 August 2009		Total £m
	Before exceptional items £m	Exceptional items (note 3) £m	
Revenue	1,441.0	-	1,441.0
Operating costs before depreciation and amortisation	(928.9)	(37.4)	(966.3)
Share of post-tax profit from joint ventures	2.3	-	2.3
EBITDA¹	514.4	(37.4)	477.0
Depreciation, amortisation and impairment	(62.3)	(687.2)	(749.5)
Operating profit / (loss)	452.1	(724.6)	(272.5)
Profit / (loss) on sale of non-current assets	-	(32.3)	(32.3)
Finance income (note 5)	31.8	246.0	277.8
Finance costs (note 5)	(323.5)	-	(323.5)
Movement in fair value of interest rate swaps	-	(55.2)	(55.2)
Profit / (loss) before taxation	160.4	(566.1)	(405.7)
UK income tax (charge) / credit (note 6)	(47.0)	276.3	229.3
Profit / (loss) for the financial period attributable to equity shareholders	113.4	(289.8)	(176.4)
Earnings / (loss) per share (note 7)			
Basic (pence)	36.1		(56.1)
Diluted (pence)	36.1		(56.1)
Dividend per share paid or proposed in respect of the period (pence)			-
Total dividend paid or proposed in respect of the period (£m)			-

¹ EBITDA represents earnings before depreciation, amortisation and impairment, profit / (loss) on sale of non-current assets, finance income, finance costs, movement in fair value of interest rate swaps and UK income tax.

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the 28 weeks ended 6 March 2010

	28 weeks to 6 March 2010 £m	28 weeks to 7 March 2009 £m	52 weeks to 22 August 2009 £m
Profit / (loss) for the period attributable to equity shareholders	59.2	(122.4)	(176.4)
Actuarial gains / (losses) on defined benefit pension schemes	35.0	(44.1)	(72.6)
Losses on cash flow hedges	(12.8)	(165.9)	(91.7)
Transfers to / (from) the income statement on cash flow hedges	3.7	(6.3)	25.3
Tax relating to components of other comprehensive income	(7.5)	60.6	38.9
Tax credit related to indexation on revalued properties	-	(3.6)	(1.6)
Other comprehensive income for the period	18.4	(159.3)	(101.7)
Total comprehensive income for the period attributable to equity shareholders	77.6	(281.7)	(278.1)

CONSOLIDATED CONDENSED BALANCE SHEET
at 6 March 2010

	6 March 2010 £m	7 March 2009 ¹ £m	22 August 2009 £m
Assets			
Non-current assets			
Property, plant and equipment (note 8)	4,949.0	6,056.4	5,124.3
Operating leases	91.4	102.4	68.0
Goodwill	500.1	556.2	504.1
Other intangible assets	4.7	7.6	6.6
Retirement benefit assets	4.1	-	-
Deferred tax assets	127.1	147.7	144.5
Investments in joint ventures	40.5	42.6	43.5
Derivative financial instruments	3.5	-	2.7
	5,720.4	6,912.9	5,893.7
Current assets			
Inventories	6.8	7.6	7.5
Trade and other receivables	106.6	70.3	83.8
Current income tax assets	8.1	4.8	8.2
Cash and cash equivalents	306.3	182.1	678.6
	427.8	264.8	778.1
Non-current assets classified as held for sale	142.6	96.9	169.6
Total assets	6,290.8	7,274.6	6,841.4
Liabilities			
Current liabilities			
Trade and other payables	(283.4)	(290.1)	(316.7)
Short term borrowings	(57.4)	(38.0)	(50.2)
Derivative financial instruments	(62.5)	(54.8)	(67.7)
Provisions	(21.6)	(22.3)	(22.3)
	(424.9)	(405.2)	(456.9)
Non-current liabilities			
Borrowings	(3,645.9)	(4,547.4)	(4,022.7)
Convertible bonds	-	(206.2)	(193.5)
Derivative financial instruments	(234.7)	(362.0)	(231.0)
Deferred tax liabilities	(166.9)	(368.4)	(165.7)
Retirement benefit obligations	(24.0)	(33.0)	(59.5)
Provisions	(44.7)	(40.3)	(41.7)
Other liabilities	(1.7)	(1.6)	(1.7)
	(4,117.9)	(5,558.9)	(4,715.8)
Total liabilities	(4,542.8)	(5,964.1)	(5,172.7)
Net assets	1,748.0	1,310.5	1,668.7
Shareholders' equity			
Called up share capital	0.3	0.1	0.3
Share premium	455.0	455.0	455.0
Equity component of convertible bonds	-	22.8	21.0
Hedge reserve	(112.0)	(181.3)	(105.2)
Share based payment reserve	10.5	8.0	8.8
Retained earnings	1,394.2	1,005.9	1,288.8
Total shareholders' equity	1,748.0	1,310.5	1,668.7

¹ Derivative financial instruments at 7 March 2009 have been restated to reflect the repayment profile. There has been no impact on net assets.

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY

for the 28 weeks ended 6 March 2010

	Share capital £m	Share premium £m	Equity component of convertible bonds £m	Hedge reserve £m	Share based payment reserve £m	Retained earnings £m	Total equity £m
At 22 August 2009	0.3	455.0	21.0	(105.2)	8.8	1,288.8	1,668.7
Profit for the period	-	-	-	-	-	59.2	59.2
Other comprehensive profits / (losses) for the period	-	-	-	(6.8)	-	25.2	18.4
Total comprehensive profit / (loss) for the period	-	-	-	(6.8)	-	84.4	77.6
Issue of share capital	-	-	-	-	-	-	-
Exercise of share options	-	-	-	-	-	-	-
Transfer equity component of convertible bonds	-	-	(21.0)	-	-	21.0	-
Share based payments	-	-	-	-	1.7	-	1.7
Total equity at 6 March 2010	0.3	455.0	-	(112.0)	10.5	1,394.2	1,748.0
At 23 August 2008	0.1	455.0	30.0	(57.4)	8.7	1,156.5	1,592.9
Loss for the period	-	-	-	-	-	(122.4)	(122.4)
Other comprehensive losses for the period	-	-	-	(123.9)	-	(35.4)	(159.3)
Total comprehensive loss for the period	-	-	-	(123.9)	-	(157.8)	(281.7)
Transfer equity component of convertible bonds	-	-	(7.2)	-	-	7.2	-
Share based payments	-	-	-	-	(0.7)	-	(0.7)
Total equity at 7 March 2009	0.1	455.0	22.8	(181.3)	8.0	1,005.9	1,310.5
At 23 August 2008	0.1	455.0	30.0	(57.4)	8.7	1,156.5	1,592.9
Loss for the period	-	-	-	-	-	(176.4)	(176.4)
Other comprehensive losses for the period	-	-	-	(47.8)	-	(53.9)	(101.7)
Total comprehensive loss for the period	-	-	-	(47.8)	-	(230.3)	(278.1)
Issue of share capital	0.2	-	-	-	-	353.6	353.8
Exercise of share options	-	-	-	-	-	-	-
Transfer equity component of convertible bonds	-	-	(9.0)	-	-	9.0	-
Share based payments	-	-	-	-	0.1	-	0.1
Total equity at 22 August 2009	0.3	455.0	21.0	(105.2)	8.8	1,288.8	1,668.7

CONSOLIDATED CONDENSED CASH FLOW STATEMENT
for the 28 weeks ended 6 March 2010

	28 weeks to 6 March 2010 £m	28 weeks to 7 March 2009 £m	52 weeks to 22 August 2009 £m
Cash flows from operating activities			
Operating profit / (loss)	185.4	66.5	(272.5)
Depreciation and amortisation	26.4	33.8	62.3
Impairment and goodwill adjustment	-	146.6	687.2
Share based payment expense / (income) recognised in profit	1.7	(0.7)	0.1
Decrease in inventories	0.7	0.9	1.0
(Increase) / decrease in trade and other receivables	(18.0)	7.6	0.3
Decrease in trade and other payables	(48.2)	(68.1)	(27.1)
Difference between pension contributions paid and amounts recognised in the income statement	(4.4)	(3.5)	(3.4)
Increase in provisions and other liabilities	1.5	13.1	13.7
Share of post-tax profit from joint venture	(1.9)	(1.4)	(2.3)
Cash generated from operations	143.2	194.8	459.3
Income tax received	0.1	0.1	7.6
Net cash from operating activities	143.3	194.9	466.9
Cash flows from investing activities			
Purchase of property, plant and equipment	(36.2)	(56.5)	(91.1)
Proceeds from sale of property, plant and equipment	91.2	30.7	397.1
Proceeds from sale of operating leases	0.4	-	1.7
Proceeds from sale of non-current assets held for sale	106.8	9.8	15.3
Purchase of other intangible assets	(1.5)	(0.4)	(2.0)
Interest received	1.7	4.4	5.9
Net cash generated from / (used in) investing activities	162.4	(12.0)	326.9
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital	-	-	353.8
Net costs on redemption of derivative financial instruments	-	(3.5)	-
Repayment of convertible bonds	(202.7)	(49.5)	(65.5)
Repayment of borrowings	(312.7)	(120.2)	(412.0)
Repayment of derivative financial instruments	(22.5)	-	(3.7)
Interest paid	(136.0)	(159.8)	(314.0)
Repayments of obligations under finance leases	(1.6)	(0.8)	(2.3)
Interest element of finance lease rental payments	(0.6)	(0.6)	(1.2)
Costs of terminating financing arrangements	(1.9)	(2.0)	(5.9)
Decrease in cash deposits used as security for loan notes	-	14.4	14.4
Net cash used in financing activities	(678.0)	(322.0)	(436.4)
Net (decrease) / increase in cash and cash equivalents	(372.3)	(139.1)	357.4
Cash and cash equivalents at beginning of period	678.6	321.2	321.2
Cash and cash equivalents at end of period	306.3	182.1	678.6

NOTES TO THE FINANCIAL STATEMENTS

for the 28 weeks ended 6 March 2010

1. ACCOUNTING POLICIES

Basis of preparation

These interim financial statements are unaudited but have been reviewed by the auditors and have been prepared in accordance with the Disclosure and Transparency rules of the Financial Services Authority and with IAS 34 'Interim Financial Reporting' using, on a consistent basis, the accounting policies set out in the Group's Annual Report and Financial Statements 2009, and which are expected to apply at 21 August 2010.

These interim financial statements and the comparative figures for the period ended 22 August 2009 do not constitute statutory accounts within the meaning of the Companies Act 2006. Full accounts for that year have been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

The following new standards, interpretations and amendments to published standards are effective for the Group for the financial year beginning 23 August 2009:

- IFRS 8 'Operating Segments'
- IAS 23 'Borrowing Costs'
- IAS 1 (revised) 'Presentation of Financial Statements'
- IFRS 3R 'Business Combinations'
- IAS 32 'Financial Instruments: Presentation' and IAS 1 'Presentation of Financial Instruments' Amendments: 'Puttable Financial Instruments and Obligations Arising on Liquidation'
- Amendments to IAS 39 'Financial Instruments: Eligible Hedged Items'
- Amendment to IFRS 7: 'Improved Disclosures about Financial Instruments'
- Amendment to IFRS 2: 'Vesting Conditions and Cancellations'
- Improvements to IFRSs 2008 – Amendments to IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'
- Amendments to IFRIC 9 and IAS 39: 'Embedded Derivatives'
- IFRIC 17 'Distribution of Non-Cash Assets to Owners'

The above new standards, interpretations and amendments to published standards have had no material impact on the results or the financial position of the Group for the 28 weeks to 6 March 2010.

NOTES TO THE FINANCIAL STATEMENTS continued
for the 28 weeks ended 6 March 2010

2. SEGMENTAL ANALYSIS

	Leased £m	Managed £m	Unallocated £m	Total £m
28 weeks to 6 March 2010:				
Drink revenue	241.1	182.5	-	423.6
Food revenue	-	125.7	-	125.7
Rental income	99.0	-	-	99.0
Other revenue	11.0	17.3	-	28.3
Revenue	351.1	325.5	-	676.6
Operating costs ¹	(167.7)	(285.7)	-	(453.4)
Share of post-tax profit from joint ventures	-	-	1.9	1.9
EBITDA ¹	183.4	39.8	1.9	225.1
Depreciation and amortisation	(10.7)	(15.7)	-	(26.4)
Operating profit before exceptional items	172.7	24.1	1.9	198.7
Exceptional items	(6.8)	(6.5)	-	(13.3)
Operating profit	165.9	17.6	1.9	185.4
(Loss) / profit on sale of non-current assets	(2.0)	2.6	-	0.6
Segment result	163.9	20.2	1.9	186.0
Net finance costs	-	-	(100.4)	(100.4)
Movement in fair value of interest rate swaps	-	-	(15.3)	(15.3)
UK income tax charge	-	-	(11.1)	(11.1)
Profit / (loss) attributable to equity shareholders	163.9	20.2	(124.9)	59.2
28 weeks to 7 March 2009:				
Drink revenue	276.3	198.6	-	474.9
Food revenue	-	134.8	-	134.8
Rental income	125.2	-	-	125.2
Other revenue	14.7	18.3	-	33.0
Revenue	416.2	351.7	-	767.9
Operating costs ¹	(189.5)	(304.6)	-	(494.1)
Share of post-tax profit from joint ventures	-	-	1.4	1.4
EBITDA ¹	226.7	47.1	1.4	275.2
Depreciation and amortisation ¹	(11.7)	(22.1)	-	(33.8)
Operating profit before exceptional items	215.0	25.0	1.4	241.4
Exceptional items	(92.1)	(82.8)	-	(174.9)
Operating profit / (loss)	122.9	(57.8)	1.4	66.5
Profit on sale of non-current assets	-	-	-	-
Segment result	122.9	(57.8)	1.4	66.5
Net finance costs	-	-	(119.7)	(119.7)
Movement in fair value of interest rate swaps	-	-	(68.4)	(68.4)
UK income tax charge	-	-	(0.8)	(0.8)
Profit / (loss) attributable to equity shareholders	122.9	(57.8)	(187.5)	(122.4)
52 weeks to 22 August 2009:				
Drink revenue	521.3	379.6	-	900.9
Food revenue	-	257.9	-	257.9
Rental income	223.0	-	-	223.0
Other revenue	25.2	34.0	-	59.2
Revenue	769.5	671.5	-	1,441.0
Operating costs ¹	(357.7)	(571.2)	-	(928.9)
Share of post-tax profit from joint ventures	-	-	2.3	2.3
EBITDA ¹	411.8	100.3	2.3	514.4
Depreciation and amortisation ¹	(21.5)	(40.8)	-	(62.3)
Operating profit before exceptional items	390.3	59.5	2.3	452.1
Exceptional items	(493.5)	(231.1)	-	(724.6)
Operating (loss) / profit	(103.2)	(171.6)	2.3	(272.5)
Loss on sale of non-current assets	(20.4)	(11.9)	-	(32.3)
Segment result	(123.6)	(183.5)	2.3	(304.8)
Net finance costs	-	-	(45.7)	(45.7)
Movement in fair value of interest rate swaps	-	-	(55.2)	(55.2)
UK income tax credit	-	-	229.3	229.3
Profit / (loss) attributable to equity shareholders	(123.6)	(183.5)	130.7	(176.4)

¹ Pre exceptional items.

3. EXCEPTIONAL ITEMS

In order to provide a trend measure of underlying performance, profit is presented excluding items which management consider will distort comparability, either due to their significant non-recurring nature or as a result of specific accounting treatments. Included in the income statement are the following exceptional items:

	28 weeks ended 6 March 2010 £m	28 weeks ended 7 March 2009 £m	52 weeks ended 22 August 2009 £m
Operating			
Redundancy and other related one-off costs	(1.9)	(6.4)	(8.5)
Movement on property liabilities ¹	(11.4)	(21.9)	(28.9)
Impairment losses (note 4)	-	(146.6)	(663.1)
Adjustment to goodwill in respect of deferred tax ²	-	-	(24.1)
	(13.3)	(174.9)	(724.6)
Profit / (loss) on sale of non-current assets³	0.6	-	(32.3)
Finance income			
Loan note redemptions ⁴	31.9	39.4	246.0
Movement in fair value of interest rate swaps⁵	(15.3)	(68.4)	(55.2)
Total exceptional items before tax	3.9	(203.9)	(566.1)
Tax			
Tax impact of exceptional items	7.1	13.3	111.6
Recognition of previously uncrystallised deferred tax assets ⁶	-	-	119.8
Tax impact of indexation ⁷	-	(12.8)	(6.2)
Adjustments to tax in respect of prior periods ⁸	0.1	19.5	27.0
Recognition of deferred tax assets not previously recognised on acquisition ²	-	-	24.1
	7.2	20.0	276.3
Total exceptional items after tax	11.1	(183.9)	(289.8)

¹ Represents provision for rent payments following the reversion of onerous leases to the Group and additional provision for onerous leases.

² In the prior period, represents tax losses which had previously not been recognised on the acquisition of the Spirit group in January 2006, which were subsequently recognised in the year.

³ Includes £4.0m write down of goodwill (August 2009: £28.0m), of which £1.9m related to the leased estate (August 2009: £17.9m) and £2.1m related to the managed estate (August 2009: £10.1m), representing the apportioned value of goodwill allocated to those pubs disposed of during the year.

⁴ Represents profit on the purchase of securitised debt and convertible bonds together with the write off of related deferred issue costs.

⁵ Represents the movement in the fair value of interest rate swaps which do not qualify for hedge accounting. Whilst the interest rate swaps are considered to be effective in matching the amortising profile of existing or planned floating rate borrowings, they do not meet the definition of an effective hedge due to the relative size of the mark to market difference of the swap at the date of acquisition or inception, or changes in expected future maturity profiles.

⁶ In the prior period, represents the recognition of deferred tax assets that relate to capital losses arising on a group restructuring.

⁷ In the prior period, represents tax impact of RPI for the full year on the indexation allowance applied to the tax based cost of properties.

⁸ In the prior period, represents the impact of finalising past tax matters together with changes to base cost information in relation to property assets.

4. IMPAIRMENT LOSSES

Property, plant and equipment and operating leases

When any indicators of impairment are identified, property, plant and equipment and operating leases are reviewed for impairment based on each cash generating unit (CGU). The cash generating units are individual pubs. The carrying values of these individual pubs was compared to the recoverable amount of the CGUs, which was based predominantly on value-in-use.

At 6 March 2010, no indicators of impairment were identified.

	Leased £m	Managed £m	Total £m
28 weeks ended 6 March 2010:			
Property, plant and equipment	-	-	-
Operating leases	-	-	-
<hr/>			
28 weeks ended 7 March 2009:			
Property, plant and equipment	82.7	46.8	129.5
Operating leases	3.3	13.8	17.1
<hr/>			
52 weeks ended 22 August 2009:			
Property, plant and equipment	478.5	137.0	615.5
Operating leases	4.9	42.7	47.6
<hr/>			
	483.4	179.7	663.1

Goodwill

The carrying value of goodwill was reviewed for impairment during the interim period. The recoverable amount of the two groups of CGUs (leased and managed), determined based on value-in-use calculations, was compared to the carrying value of their goodwill. No impairment was identified.

5. FINANCE INCOME AND COSTS

	28 weeks ended 6 March 2010 £m	28 weeks ended 7 March 2009 £m	52 weeks ended 22 August 2009 £m
Finance income			
Bank interest receivable	2.1	4.4	5.6
Pension finance income	10.8	13.4	24.7
Other finance income	-	-	1.5
Exceptional finance income (note 3)	31.9	39.4	246.0
Total finance income	44.8	57.2	277.8
Finance costs			
Interest payable on bank borrowings	-	0.6	0.6
Interest payable on loan notes	128.7	149.8	274.2
Interest payable on convertible bonds	2.2	11.0	19.5
Interest payable on finance leases	0.5	0.6	1.2
Pension finance costs	11.5	11.5	21.4
Other interest payable	-	0.4	1.3
Amortisation of deferred issue costs	1.4	2.1	3.7
Effect of unwinding discounted provisions	0.9	0.9	1.6
Total finance costs	145.2	176.9	323.5

6. TAXATION

The effective taxation charge applied in these interim results of 28.4%, before profit on sale of non-current assets, exceptional items and share of post-tax earnings from joint ventures, reflects the estimated tax rate for the 52 weeks ending 21 August 2010. The effective rate of taxation for the comparative period was 25.7%.

The total tax charge of £11.1m (March 2009: charge of £0.8m; August 2009: credit of £229.3m) includes an exceptional tax credit of £7.2m (March 2009: £20.0m; August 2009: £276.3m).

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding those held in the employee share trust, which are treated as cancelled.

Diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders (after adding back interest on dilutive convertible bonds) by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options and dilutive convertible bonds).

The convertible bonds were repaid in full in the period and therefore do not have a dilutive impact on either basic earnings or adjusted earnings at 6 March 2010. The impact of the equity portion of the convertible bonds was not dilutive on both basic earnings and adjusted earnings at 7 March 2009 and 22 August 2009.

Reconciliations of the earnings used in the calculations are set out below:

	28 weeks to 6 March 2010		28 weeks to 7 March 2009		52 weeks to 22 August 2009	
	Earnings £m	Per share amount pence	Earnings £m	Per share amount pence	Earnings £m	Per share amount pence
Basic earnings / (loss) per share	59.2	9.2	(122.4)	(45.9)	(176.4)	(56.1)
Diluted earnings / (loss) per share	59.2	9.2	(122.4)	(45.9)	(176.4)	(56.1)
Supplementary earnings per share figures:						
Basic earnings per share before exceptional items	48.1	7.5	61.5	23.1	113.4	36.1
Diluted earnings per share before exceptional items	48.1	7.5	61.5	23.1	113.4	36.1

The impact of dilutive ordinary shares is to increase weighted average shares by 0.1 million (March 2009: 0.1 million; August 2009: nil) for employee share options and nil (March 2009: nil; August 2009: nil) for convertible bonds.

	28 weeks to 6 March 2010 No. (m)	28 weeks to 7 March 2009 No. (m)	52 weeks to 22 August 2009 No. (m)
Basic weighted average number of shares	642.4	266.7	314.3
Discretionary Share Plan and SAYE scheme	-	-	-
Long Term Incentive Plan	-	-	-
Deferred Bonus Shares	0.1	0.1	-
Diluted weighted average number of shares	642.5	266.8	314.3

8. PROPERTY, PLANT AND EQUIPMENT

	£m
Net book amount at 23 August 2009	5,124.3
Additions	37.6
Disposals	(86.1)
Depreciation	(22.9)
Impairment	-
Other movements	(103.9)
Net book amount at 6 March 2010	4,949.0
Net book amount at 24 August 2008	6,274.7
Additions	57.4
Disposals	(23.3)
Depreciation	(29.1)
Impairment	(129.5)
Other movements	(93.8)
Net book amount at 7 March 2009	6,056.4

9. NET DEBT

(a) Analysis of net debt

	6 March 2010 £m	7 March 2009 £m	22 August 2009 £m
Secured loan notes	(3,583.0)	(4,428.0)	(3,941.9)
Convertible bonds ¹	-	(218.2)	(201.7)
Gross debt	(3,583.0)	(4,646.2)	(4,143.6)
Cash and cash equivalents	306.3	182.1	678.6
Nominal value of net debt	(3,276.7)	(4,464.1)	(3,465.0)
Capitalised debt issue costs	13.3	20.6	18.4
Fair value adjustments on acquisition of secured loan notes	(116.5)	(157.1)	(129.6)
Fair value of interest rate swaps	(293.7)	(416.8)	(296.0)
Balance sheet adjustments to convertible bonds ²	-	9.8	6.8
Finance lease obligations	(17.1)	(18.7)	(18.4)
Net debt	(3,690.7)	(5,026.3)	(3,883.8)
Balance sheet:			
Borrowings	(3,703.3)	(4,585.4)	(4,072.9)
Convertible bonds	-	(206.2)	(193.5)
Derivative financial instruments	(293.7)	(416.8)	(296.0)
Cash and cash equivalents	306.3	182.1	678.6
Net debt	(3,690.7)	(5,026.3)	(3,883.8)

¹ Represents nominal value of convertible bonds plus subsequent accretion of liability to redemption value on maturity.

² Represents equity component of convertible bonds less subsequent accretion of liability to redemption value on maturity for this equity component.

NOTES TO THE FINANCIAL STATEMENTS continued
for the 28 weeks ended 6 March 2010

(b) Analysis of changes in net debt

	At 22 August 2009 £m	Cash flow £m	Non-cash movements £m	At 6 March 2010 £m
Current assets				
Cash at bank and in hand	678.6	(372.3)	-	306.3
Cash and cash deposits	678.6	(372.3)	-	306.3
Debt				
Borrowings	(4,072.9)	314.3	55.3	(3,703.3)
Derivative financial instruments	(296.0)	22.5	(20.2)	(293.7)
Debt component of convertible bonds	(193.5)	202.7	(9.2)	-
	(4,562.4)	539.5	25.9	(3,997.0)
Net debt per balance sheet	(3,883.8)	167.2	25.9	(3,690.7)

Net debt incorporates the Group's borrowings, bank overdrafts, derivative financial instruments and obligations under finance leases, less cash and cash equivalents.

Non-cash movements relate to amortisation of deferred issue costs and premium on loan notes and convertible bonds, the equity component of convertible bonds and fair value movement in derivative financial instruments.

10. DIVIDENDS

No interim dividend (2009 interim: nil; 2009 final: nil) has been declared by the Directors.

11. RELATED PARTY TRANSACTIONS

Balances arising from transactions with joint ventures

The Group holds 50% of the entire share capital of Matthew Clark (Holdings) Limited. In accordance with the terms of the joint venture agreement the Group is due to receive a repayment of £5.0m which has reduced the value of the Group's investment in the joint venture by the same value in the period. At 6 March 2010, the Group's investment in this joint venture is £40.5m (March 2009: £42.6m; August 2009: £43.5m). The Group had transactions of £10.4m with Matthew Clark during the current period (28 weeks to 7 March 2009: £7.5m; 52 weeks to 22 August 2009: £22.9m), £1.3m of which was owing to Matthew Clark at the period end (March 2009: £3.8m; August 2009: £3.4m).

During the period, the Group has paid invoices and raised sales invoices on behalf of Allied Kunick Entertainments Limited which have been recharged via an intercompany account. At 6 March 2010, Allied Kunick Entertainments Limited owed the Group £0.2m (March 2009: £0.1m, August 2009: £0.2m).

Balances arising from transactions with joint ventures	At 6 March 2010 £m	At 7 March 2009 £m	At 22 August 2009 £m
Unsecured loan stock receivable	10.4	9.6	10.0
Amounts owed to joint ventures	(1.1)	(3.7)	(3.2)
Total amounts due from joint ventures	9.3	5.9	6.8

All rights, together with the joint venture partner of Allied Kunick Entertainments Limited, to receive interest on the unsecured loan stock, have been waived. The amount outstanding at the period end has been fully provided by the Group due to the uncertainty of its recoverability.

12. CAPITAL COMMITMENTS

Capital commitments contracted, but not provided for by the Group, amounted to £8.2m (March 2009: £11.3m, August 2009: £7.6m).

13. SEASONALITY OF INTERIM OPERATIONS

The Group's financial results and cash flows are impacted by the financial year being split into two unequal periods, with the first half being 28 weeks and the second half being 24 weeks.

In addition, the Group's financial results and cash flows have, historically, been subject to seasonal trends between the first and the second half of the financial year. Traditionally, the summer months in the second half of the financial year see higher revenue and profitability, as a result of the better weather conditions. There is no assurance that this trend will continue in the future.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union;
- the interim management report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first 28 weeks of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining 24 weeks of the year; and
 - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first 28 weeks of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

Giles Thorley
Chief Executive
21 April 2010

Phil Dutton
Finance Director
21 April 2010

Independent review report to Punch Taverns plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the 28 weeks ended 6 March 2010 which comprises the Consolidated Condensed Income Statement, Consolidated Condensed Statement of Comprehensive Income, Consolidated Condensed Balance Sheet, Consolidated Condensed Statement of Changes in Equity, Consolidated Condensed Cash Flow Statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 28 weeks ended 6 March 2010 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

G Watts

for and on behalf of KPMG Audit Plc

Chartered Accountants
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21 April 2010

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Financial calendar

Q3 Interim Management Statement
Year end
Preliminary results announcement

July 2010
21 August 2010
October 2010

Directors of the Company

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Phil Dutton
Ian Fraser
Mark Pain
Tony Rice
Giles Thorley
Mike Tye
Roger Whiteside
Ian Wilson

Chairman
Finance Director
Non-executive Director
Non-executive Director
Non-executive Director
Chief Executive
Managing Director – Punch Pub Company (Managed)
Managing Director – Punch Partnerships (Leased)
Non-executive Director