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12 June 2013

Dear

Re: Government Consultation Pub Companies and Tenants April 2013

You have asked me to comment on our experience in our dealings with punch and I am happy to do that. However I must point out that we have not had any dealings with Punch since we acquired the freeholds of the two pubs we held on lease with you some years ago. Please also note that I write this letter in the sole capacity of being the CEO of

Firstly some background on me:

I was born in a pub in . I have worked in the industry since 1977. In 1978 I become a licensee . I have held a licence ever since. I have had tenancies / leases with Watneys, Inntrepreneur, Whitbread, Unique, Enterprise Inns, Wellington, Scottish and Newcastle. Punch and commercial property landlords ever since.

I am the 3rd generation to work in the sector, 2 of my kids also have followed the same path, taking us to 4 generations. We have operated standard 3 year agreements, ten year turn over leases, 20 and 30 year full repairing and insuring leases. Tied, part tied, free of tie. We have chosen to deal with all but Enterprise as landlords, who come into our life through their acquisition of the sites where we held leases.

We have never defaulted on a lease, and have gone full term on a number of them over the years. I have in the past given personal guarantees, something I would not do today. I have never thought it correct PGs are transferable when the freeholds of the sites are sold, and that PGs can be passed around. I also think its wrong they were not capped!

I would state that I am a supporter of the tie when its applied correctly. The important matter is not the tie per-say but that there is a fair and equitable split of the profits that leaves the tenant or lessee with a living wage.

Punch brought into the concept when it was very young, had confidence to grant a 30 year tied lease with a discount on rent review for our brand and initial investment, and no PGs. We did not find them hard to deal with in fact it was simple and straight forward.

During the time we operated with Punch we had a good and fair relationship. We approached them when we had competition from Weatherspoons and MB discounting heavily, we requested additional support, product and discount levels so as to be able to compete, without losing margins. It's fair to say Punch were not keen, but with reasoned argument received the support we asked for and trade was maintained, indeed improved. This only strengthened the relationship, and all though I had contacts on the main board, we did not need to use them to make the relationship work.

I would be happy to answer any further questions

Group Managing Director