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17 January 2017

RECOMMENDED ACQUISITION

of

PUNCH TAVERNS PLC

by

VINE ACQUISITIONS LIMITED

**to be effected by means of a Scheme of Arrangement under
Part 26 of the Companies Act 2006**

PUBLICATION OF THE SCHEME DOCUMENT

On 15 December 2016, the boards of Punch Taverns plc ("**Punch**") and Vine Acquisitions Limited ("**Bidco**"), a newly incorporated company formed at the direction of Patron Fund V, announced that they had reached agreement on the terms of a recommended cash offer by Bidco for the entire issued and to be issued ordinary share capital of Punch (the "**Acquisition**") to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**").

Publication of the Scheme Document

Punch is pleased to announce that a circular in relation to the Scheme (the "**Scheme Document**"), setting out, among other things, a letter from the Chairman of Punch, the full terms and conditions of the Scheme, a statutory explanatory statement, an expected timetable of principal events, notices of the Court Meeting and General Meeting and details of the action to be taken by Punch Shareholders, will be published today on the Punch website at www.punchtavernsplc.com.

Copies of the Scheme Document and Forms of Proxy for the Court Meeting and General Meeting are being sent to Punch Shareholders, either in hard copy form or electronic form depending on the relevant Punch Shareholder's communication preference.

Capitalised terms in this announcement (the "**Announcement**"), unless otherwise defined, have the same meanings as set out in the Scheme Document. All references to times in this Announcement are to London times unless otherwise stated.

Action required

As further detailed in the Scheme Document, in order to become effective, the Scheme will require, among other things, that the requisite majority of eligible Punch Shareholders: (i) vote in favour of the Scheme at the Court Meeting; and (ii) pass the Special Resolution at the General

Meeting. The Scheme is also subject to the satisfaction or waiver of the Conditions and further terms that are set out in the Scheme Document.

Notices convening the Court Meeting and the General Meeting at 1.00 p.m. (London time) on 10 February 2017 and 1.15 p.m. (London time) (or immediately after the conclusion or adjournment of the Court Meeting) on 10 February 2017, respectively, to be held at the offices of Goldman Sachs, Peterborough Court, 133 Fleet Street, London EC4A 2BB, are set out in the Scheme Document.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of opinion of the Punch Shareholders. Punch Shareholders are therefore strongly advised to complete, sign and return their blue Form of Proxy or appoint a proxy online or through the CREST electronic proxy appointment service for the Court Meeting as soon as possible.

Punch Shareholders should carefully read the Scheme Document in its entirety before making a decision with respect to the Scheme.

Timetable

The Scheme Document contains an expected timetable of principal events relating to the Scheme, which is also set out in the Appendix to this Announcement. Subject to the approval of Punch Shareholders and the Court, and to the satisfaction of the other Conditions, the Scheme is expected to become effective in the first half of 2017.

Emerald Investment Partners Limited

Following Emerald's indicative proposal to acquire the entire issued and to be issued share capital of Punch, in accordance with Section 4 of Appendix 7 of the Code the Panel has confirmed that Emerald is required, by not later than 5.00 p.m. on the date falling seven days prior to the date of the Meetings, either to announce a firm intention to make an offer for Punch in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. Based on a date of the Meetings of 10 February 2017 as set out in the Scheme Document, Emerald would need to make such an announcement by not later than 5.00 p.m. on 3 February 2017. There can be no certainty that any firm offer will be made by Emerald.

Information for Punch Shareholders

Copies of this Announcement and the Scheme Document will be available (subject to certain restrictions relating to persons in certain overseas jurisdictions) on Punch's website at www.punchtavernsplc.com, on Bidco's website at www.patroncapital.com/microsite and on Heineken's website at www.heineken.co.uk/press-releases by no later than 12 noon (London time) on the Business Day following this Announcement up to and including the Effective Date.

A copy of the Scheme Document will be submitted today to the National Storage Mechanism and will be available for inspection at www.morningstar.co.uk/uk/NSM.

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Further information

This Announcement is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document, which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document.

This Announcement does not constitute a prospectus or prospectus equivalent document.

Important notices relating to financial advisers

Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Punch and no one else in connection with the Acquisition and will not be responsible to anyone other than Punch for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in relation to the Acquisition or any matter or arrangement referred to in this Announcement.

Rothschild, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Patron Fund V and Bidco and no one else in connection with the Transaction and will not be responsible to anyone other than Patron Fund V and Bidco for providing the protections afforded to clients of Rothschild nor for giving advice in relation to the Transaction or any matter or arrangement referred to in this Announcement.

Nomura International plc, which is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority in the United Kingdom, is acting exclusively for Heineken International and no one else in connection with the Transaction and Nomura International plc, its affiliates and its respective officers, employees, agents, representatives and/or associates will not regard any other person as their client, nor will they be responsible to anyone other than Heineken International for providing the protections afforded to clients of Nomura International plc nor for giving advice in relation to the Transaction or any matter or arrangement referred to in this Announcement.

No profit forecasts or estimates

Unless expressly stated otherwise, no statement in this Announcement is intended as a profit forecast or a profit estimate and no statement in this Announcement should be interpreted to mean that earnings per Punch Share for the current or future financial years would necessarily match or exceed the historical published earnings per Punch Share.

Forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Transaction, and other information published by Bidco, Patron Capital and (as relevant) Punch and Heineken, contain statements which are, or may be deemed to be, "forward-looking statements". All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and Patron Capital and (as relevant) Punch and Heineken about future events, and are therefore subject to risks and uncertainties which could cause actual results, performance or events to differ materially from those expressed or implied by the forward-looking statements. The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Transaction, the expected timing and scope of the Transaction, and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-

looking words such as "plan", "expect", "budget", "target", "aim", "scheduled", "estimate", "forecast", "intend", "anticipate", "assume", "hope", "continue" or "believe", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. None of Bidco, Patron Capital, Punch or Heineken can give any assurance that expectations reflected in the forward-looking statements will prove to be correct. By their nature, forward-looking statements involve risks (known and unknown) and uncertainties (and other factors that are in many cases beyond the control of Bidco, Patron Capital and/or (as relevant) Punch and Heineken because they relate to events and depend on circumstances that may or may not occur in the future.

Each forward-looking statement speaks only as of the date of this Announcement. None of Bidco, Patron Capital, Punch or Heineken or any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. All forward-looking statements contained in this Announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the Takeover Code) the members of the Punch Group, the members of the Heineken Group and the members of Patron Capital are under no obligation and undertake no obligation, and expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Overseas Shareholders

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Punch Shares with respect to the Scheme at the Court Meeting and the Acquisition at the Punch General Meeting, or to execute and deliver forms of proxy appointing another to vote at the Court Meeting and the General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. This Announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

The Acquisition relates to shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England. However, if Bidco were to elect to implement the Acquisition by means of a takeover offer, such takeover offer will be made in compliance with all applicable laws and regulations, including relevant US securities laws. In

addition to any such takeover offer, to the extent permitted by applicable law (including relevant US securities laws), Bidco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Punch Shares outside such takeover offer during the period in which such takeover offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the United States and would comply with applicable law, including the US Exchange Act.

The availability of the Acquisition to Punch Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

Unless otherwise determined by Bidco or required by the Code, and permitted by applicable law and regulation, the Acquisition shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdiction where to do so would violate the laws in that jurisdiction.

The Acquisition shall be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the FCA and the UK Listing Authority.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offer (being any offer other than an offer in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offer is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3:30 pm on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3:30 pm on the 10th business day following the announcement in which any securities exchange offer is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offer prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offer must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3:30 pm on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on websites

This Announcement and the documents required to be published pursuant to Rule 26 of the Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Patron Capital's, Heineken's and Punch's websites, at www.patroncapital.com/microsite, www.heineken.co.uk/press-releases and www.punchtavernsplc.com respectively, promptly and in any event by no later than 12.00 noon on the Business Day following this Announcement. The content of any website referred to in this Announcement is not incorporated into and does not form part of this Announcement.

Request for hard copies

Punch Shareholders may request a hard copy of this Announcement by contacting the Company Secretary of Punch between 9.00 a.m. and 5.00 p.m. Monday to Friday (except UK public holidays) on 01283 501 600 from within the UK, or on +44 1283 501 600 if calling from outside the UK, or by submitting a request in writing to the Company Secretary of Punch at Jubilee House, Second Avenue, Burton-upon-Trent, Staffordshire, DE14 2WF. Punch Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Transaction should be in hard copy form. A hard copy of such documents, announcements (including this Announcement) and information will not be sent unless so requested.

Electronic Communications

Please be aware that addresses, electronic addresses and certain information provided by Punch Shareholders, persons with information rights and other relevant persons for the recipient of communication from Punch may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Code.

APPENDIX

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All times shown are London times unless otherwise stated. All dates and times are based on Punch's, Bidco's and Heineken's current expectations and are subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified promptly to Punch Shareholders by announcement through a Regulatory Information Service.

Event	Expected time/date
Latest time for lodging forms of proxy ⁽¹⁾ for the:	
Court Meeting (blue form)	1:00 p.m. on 8 February 2017
General Meeting (white form)	1:15 p.m. on 8 February 2017
Voting Record Time ⁽²⁾ for the Court Meeting and the General Meeting	6.00 p.m. on 8 February 2017
Court Meeting	1:00 p.m. on 10 February 2017
General Meeting⁽³⁾	1:15 p.m. on 10 February 2017
<i>The following dates are indicative only and are subject to change⁽⁴⁾</i>	
Court Hearing	A date which is expected to be not later than 14 days after the satisfaction or waiver of Condition 3(A) relating to the merger control review of the Disposal (or any aspect thereof) by the European Commission and/or CMA ("D")
Last day of dealings in Punch Shares	D
Dealings in Punch Shares suspended in London	5.00 p.m. on D
Scheme Record Time	6.00 p.m. on D
Effective Date of the Scheme	D+1 Business Day ("S")
De-listing of Punch Shares	S+1 Business Day
Despatch of cheques and crediting of CREST for cash consideration due under the Scheme	Within 14 days of the Effective Date

Notes:

- (1) The blue Form of Proxy for the Court Meeting, if not received by Computershare by the time stated above, may be handed to a representative of Computershare, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of that Meeting. However, in order to be valid, the white Form of Proxy must be received by Computershare no later than 1:15 p.m. (London time) on 8 February 2017 (or, if the General Meeting is adjourned, 48 hours (excluding non-working days) before the time fixed for the adjourned Meeting).
- (2) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.00 p.m. (London time) on the date which is two days (excluding non-working days) before the date set for such adjourned Meeting.
- (3) To commence at 1:15 p.m. (London time) or as soon thereafter as the Court Meeting shall have concluded or adjourned.
- (4) These times and dates are indicative only and will depend on, among other things, the dates upon which (i) the Conditions are satisfied or (where applicable) waived, (ii) the Court sanctions the Scheme, and (iii) the Court Order sanctioning the Scheme is delivered to the Registrar of Companies. If the expected dates of the Court Hearing is changed, Punch will give adequate notice of the changes by issuing an announcement through a Regulatory Information Service.
- (5) The latest date by which the Scheme must be implemented may be extended by agreement between Punch, Bidco and Heineken with the prior consent of the Panel and (if required) the approval of the Court.