

23.01.08

**PUNCH TAVERNS SIGNS £150M DEAL WITH GAMESTEC**

Leading gaming group named preferred supplier by UK's leading pub company in a 3-year contract worth £150m

Punch Taverns, the UK's leading pub company, has renewed its contract with Gamestec for the management of its gaming estate which spans more than 8,400 leased, tenanted and managed pubs in a three year deal worth £150m.

Gamestec, a leading player in the UK gaming and amusement machines sector and part of the Danoptra Gaming Group, has been responsible for the management of more than 8,000 machines for Punch Taverns, a figure representing 50 per cent of the pub group's entire estate.

Gamestec has worked closely with Punch Taverns for more than 10 years and has seen the company grow from the original acquisition of the Punch Taverns portfolio from the Bass Lease Company in 1997 to the leading pub company in the UK, with revenue in excess of £1,705 million.

Jonathan Paveley, Group Commercial Director for Punch Taverns, said: "Punch Taverns is committed to helping its customers grow their machine revenues and we continue to pursue the creation of the highest quality pub estate. We've worked closely with Gamestec's senior team and their outlook and long term business plans match our own objectives for further growth. The award of a three year extension to the contract is a reflection of our confidence in their capability to meet our needs, and in their suitability as a partner for Punch. Gamestec have consistently demonstrated they are the right operator to assist us in helping sites grow cash in box and providing games that provide a great player experience."

Derived from the core estates of two of the five major UK brewers, the Punch Portfolio is of a high quality, measured by turnover per pub, profitability by pub and operating cash

flow per unit of sales. The company is committed to continually improving retail and service standards in its pubs and develops individual pub plans to enhance performance. In addition Punch invested £89 million in improving over 1,000 pubs in 2007 alone.

Commenting on the new agreement with Punch Taverns, Derek Lloyd, CEO of Gamestec's parent company, Danoptra Gaming Group, said: "Over the last 12 months we have invested heavily in business improvement as part of our Fit For the Future programme, creating a more efficient infrastructure and improving customer services. These positive changes have placed us at the forefront of UK operators and given us a solid platform from which we can continue to grow and evolve to meet the challenges of a rapidly changing marketplace.

Punch Taverns has been a Gamestec customer for more than ten years and we have been the company's main supplier for the last two. This deal represents a further strengthening of our relationship with them and is evidence of the effectiveness of the changes we have made. We are delighted that Punch share our views and feel that we are the partner best equipped to support their future growth. Our efforts will now be focused on delivering the service and innovation that Punch and their customers expect in a changing market. "

Gamestec recently teamed up with Punch Taverns to deliver an innovative new way of increasing cash in box revenues for pub tenants and landlords.

The two companies worked alongside each other to run tournaments within Punch Tavern sites during August, September, and October using Gamesnet SWP terminals across 300 pubs in the UK. Participants went head to head on gaming bestseller 'Deal or No Deal', spelling game 'Word Soup', and the ever-popular 'Ant & Dec's Saturday Night Takeaway'.

—ENDS—

## **Editors Notes**

Gamestec, part of Danoptra Holdings Ltd, has more than 50 years of experience in the gaming and amusement machines business. With more than 1,300 employees, providing operating services to some 40,000 machines in the UK Gamestec is one of the largest operators in the country.

Gamestec operate machines for customers of all sizes in many different markets, including pubs, bars, leisure venues, licensed betting offices, clubs, bingo halls, casino's and adult gaming centres.

The company invests equally in both people and technology, and aims to deliver the highest quality in customer service and is a key member of both the British Amusement Caterers Trade Association (BACTA) and Business in Sport and Leisure (BISL).