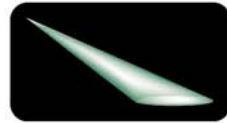


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S H E P P E R T O N

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The leading European provider of studio and film related services  
to the worldwide film industry

## **Interim Results Presentation**

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# Section 1

## Highlights

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# Highlights

- Record six month performance
- Turnover from continuing operations up 10% at £20.4m (2003 - £18.5m)
- Operating profit from continuing operations, pre exceptional IPO related costs, up 16% at £6.7m (2003 - £5.8m)
- Pro forma profit for the period up 32% at £3.8m (2003 - £2.9m), diluted EPS 8.1p (2003 - 6.2p)
- Construction about to commence on two projects and studio enhancement planning applications submitted
- Successful IPO - £46.9m raised through institutional placing
- New £60m revolving credit facility arranged



## Section 2

# Financial Performance

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# Financial Highlights

£000s	H1 2004	H1 2003	%
Turnover - continuing operations	20,364	18,455	<b>10% up</b>
Operating profit - continuing operations *	6,749	5,828	<b>16% up</b>
Pro forma profit for the period	3,802	2,888	<b>32% up</b>
Pro forma diluted earnings per share	8.1p	6.2p	<b>32% up</b>
Operating cash flow - post exceptional IPO related cost	6,256	7,417	

\* pre exceptional IPO related costs

- Record six month performance
- Operating profit improvement
- Pro forma profit and EPS growth
- Earnings conversion to cash flow

# Profit and Loss Account

<b>Interim results to 30 June £000s</b>	<b>H1 2004</b>	<b>H1 2003</b>	<b>%</b>
Turnover - continuing operations	20,364	18,455	<b>10% up</b>
Film stage services	11,259	10,211	<b>10% up</b>
Television and sound services	6,010	5,143	<b>17% up</b>
Media park income	3,095	3,101	-
Gross profit - continuing operations	9,759	8,505	<b>15% up</b>
Operating profit - continuing operations *	6,749	5,828	<b>16% up</b>
<b>Gross profit margin - continuing operations</b>	<b>48%</b>	<b>46%</b>	
<b>Operating profit margin - continuing operations*</b>	<b>33%</b>	<b>32%</b>	
Profit after tax	1,257	613	<b>105% up</b>
Earnings per share - diluted	9.2p	51.2p	
* Pre exceptional IPO related costs			
<b>Pro forma</b>			
<b>Profit for the period</b>	<b>3,802</b>	<b>2,888</b>	<b>32% up</b>
<b>Earnings per share - diluted</b>	<b>8.1p</b>	<b>6.2p</b>	<b>32% up</b>

- Strong turnover growth
- Margin improvement
- Effective tax rate at interim - 29%
- Pro forma results on basis of post IPO capital structure – profit and EPS

# Balance Sheet

As at 30 June 2004 £000s	H1 2004	H1 2003
Tangible fixed assets	96,645	98,237
Net current liabilities	(5,827)	(5,475)
Net debt	(40,945)	(90,736)
<b>Net assets</b>	<b>48,950</b>	<b>(452)</b>

- Negative working capital
- Post IPO capital structure
- Net debt £40.9m

# Cashflow

£ 000s	H1 2004	H1 2003
Operating profit (post exceptionals)	5,116	5,620
Depreciation	1,857	1,616
Increase in stock	20	-
Increase in debtors	(1,236)	(609)
Increase in creditors	499	790
<b>Net cashflow from operating activities</b>	<b>6,256</b>	<b>7,417</b>

- High level of conversion of earnings to cash flow

# Section 3

## Operating Review

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# Operating Review

## Film Stage Services

- Turnover £11.3m – 55% (2003: £10.2m – 55%)
- First half hosted Charlie and the Chocolate Factory, Intimidation Game, and the fourth Harry Potter film
- Reversion of 007 stage April 2004
- Improved ancillary sales
- US dollar 31 Dec 2003 £1 = \$1.78, 24 Aug 2004 £1 = \$1.82
- Fiscal regime – details of successor relief to S 48 due imminently - S 42 continues unchanged
- Studio enhancement progress:
  - ♦ outline planning applications submitted
  - ♦ about to commence construction on two projects
  - ♦ increasing capacity and appeal

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# Operating Review

## Television and Sound Services

- Turnover £6.0m – 30% (2003: £5.1m – 28%)

### *Television:*

- Weakest Link, My Family, Everything I Know About Men
- Enhanced reputation
- Market for Television remains strong

### *Sound Post Production*

- Market leading in Audio Post Production
- Busy first half with Troy and Thunderbirds
- Optical transfer and foreign versioning
- Continuing investment in sound theatres

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# Operating Review

## Media Park Income

- Turnover £3.1m – 15% (2003: £3.1m – 17%)
- Sustained demand

## Section 4

# Current Trading and Outlook

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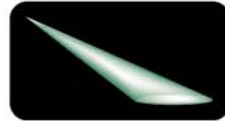
## Current Trading and Outlook

- Pinewood Shepperton performed slightly ahead of expectations for the first half of 2004
- About to commence construction on two projects
- Outline planning applications submitted for Pinewood and Shepperton Studios
- The second half to date in line with expectations
- The Directors view the Company's prospects for the current financial year with confidence



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