



Pinewood Shepperton plc

"The leading European provider of services to the
worldwide film and television industry"

2008 Interim Results Presentation

28 August 2008

INTRODUCTION

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2008 INTERIM SUMMARY

Highlights for the six months ended 30 June 2008:

- ❑ Revenue £21.7m (2007: £18.3m)
- ❑ Improved Film revenue
- ❑ Strong growth in Television
- ❑ Stable Media Park revenue
- ❑ Operating profit £4.8m (2007: £3.6m)
- ❑ Adjusted earnings per share 5.9p (2007: 4.9p)
- ❑ Interim dividend up 5% to 1.05p (2007: 1.00p)
- ❑ Media Park development progress:
 - Commenced construction of a 42,000 sq ft Technicolor pre-let building in January 2008
 - Panalux occupies a 16,500 sq ft pre-let building in April 2008
 - 60,000 sq ft Gainsborough building opened in May 2008

FINANCIAL REVIEW: INCOME STATEMENT

Six months ended 30 June	2008 £m	2007 £m
Revenue	<u>21.7</u>	<u>18.3</u>
Film	13.0	10.8
Television	5.8	4.7
Media Park	<u>2.9</u>	<u>2.8</u>
Gross profit	9.1	7.1
Gross margin %	42%	39%
EBITDA	<u>6.6</u>	<u>5.1</u>
Operating profit	4.8	3.6
Operatin margin %	22%	20%
Finance costs	(1.0)	(0.8)
Profit before tax	3.8	2.9
Tax	(0.3)	(0.2)
Profit after tax	<u><u>3.5</u></u>	<u><u>2.7</u></u>
- Adjusted earnings per share*	5.9p	4.9p
- Dividend per share	1.05p	1.00p

* After adjusting for the effect of indexation on deferred tax liabilities

FINANCIAL REVIEW: CASH FLOW

Six months ended 30 June	2008 £m	2007 £m
EBITDA	6.6	5.1
Movement in working capital	<u>(1.4)</u>	<u>(1.4)</u>
Cash generated from operations	5.2	3.7
Proceeds from borrowings/(costs) of Joint Venture	1.4	(0.3)
Capital expenditure	(9.4)	(7.0)
Tax/interest/dividends/leases/shares issuance	(2.1)	(2.1)
Proceeds of bank borrowings	5.0	2.0
007 stage fire insurance proceeds	<u>-</u>	<u>2.0</u>
Net increase/(decrease) in cash	<u>0.1</u>	<u>(1.7)</u>
CAPITAL EXPENDITURE		
007 stage rebuild	-	5.2
Developments	5.9	0.1
Lifecycle and infrastructure	2.8	1.7
Project Pinewood	<u>0.7</u>	<u>-</u>
	<u>9.4</u>	<u>7.0</u>

FINANCIAL REVIEW: BALANCE SHEET

At 30 June	2008 £m	2007 £m
Assets		
Property, plant and equipment	109.8	91.5
Intangible assets	5.6	5.6
Current assets	8.1	4.5
	<hr/>	<hr/>
Total Assets	<u>123.5</u>	<u>101.6</u>
Equity	68.9	64.4
Loans - SSPP	11.4	10.0
Loans - PSP	25.9	10.8
Deferred tax	3.1	4.8
Current liabilities	14.2	11.6
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Total equity and liabilities	<u>123.5</u>	<u>101.6</u>
Net debt	36.4	21.5

FINANCIAL REVIEW

NEW BANKING FACILITIES

- ❑ Arranged August 2008

- ❑ Term: five years

- ❑ Facilities:

Core business revolving credit and overdraft facilities	£40m
Pre-let development facilities	£30m
Total facilities	£70m

- ❑ Existing Shepperton Studios Property Partnership development facility of £20m retained

FILM

Underlying demand remains strong

MARKET REVIEW

- ❑ UK remains an attractive film destination
- ❑ Film tax credit system working effectively
- ❑ US\$:GBP relationship improving for our US customers
- ❑ The Screen Actors Guild (SAG) negotiations with US studios yet to be resolved

OPERATING REVIEW

- ❑ Film revenue £13.0m (2007: £10.8m)
- ❑ 60% of total revenue (2007: 59%)
- ❑ Bond – ‘Quantum of Solace’ (Sony/Eon), ‘The Boat that Rocked’ (Working Title) and ‘The Wolfman’ (Universal)



TELEVISION

Pinewood Shepperton's strategy to diversify and increase exposure to television well founded

MARKET REVIEW

- ❑ UK television market evolving in a changing industry
- ❑ Demand for content remains strong
- ❑ High Definition television growing
- ❑ Digital switchover begins, leading to increased consumer numbers on new channels

OPERATING REVIEW

- ❑ Television revenue £5.8m (2007: £4.7m)
- ❑ Television revenue 27% of total turnover (2007: 26%)
- ❑ Broadening customer base including commercials
- ❑ Investing in High Definition equipment as required
- ❑ Pinewood provides a complete production package for 'Little Dorrit'
- ❑ Hosted the following new productions: 'Gladiators', 'The Lily Allen Show', 'New Tricks'



MEDIA PARK

Revenue stable, pre-let development strategy being implemented

MARKET REVIEW

- ❑ Despite “credit crunch” there is ongoing demand from media businesses west of Central London
- ❑ Developing focus on creative industry hubs

OPERATING REVIEW

- ❑ Consistent high occupancy – 95% occupancy and over 290 tenants
- ❑ Revenue of £2.9m (2007: £2.8m) excluding Shepperton Studios Property Partnership
- ❑ Panalux takes occupation of a 16,500 sq ft building at Pinewood
- ❑ Construction of 42,000 sq ft Technicolor building, on schedule and on budget, at Pinewood. Completion towards the end of 2008.
- ❑ Opened 60,000 sq ft Gainsborough building at Shepperton in May 2008, 40,000 sq ft immediately occupied by a production



PROJECT PINWOOD

- ❑ November 2007: announced intention to create a living and working community for the creative industries
- ❑ A film and television location comprising a permanent collage of working international sets
- ❑ Capable of connecting with other creative industries
- ❑ A global media centre at Pinewood – long term project
- ❑ Project Pinewood will be in collaboration with partners
- ❑ Planning application submission anticipated during the fourth quarter of 2008
- ❑ Consultation workshops with stakeholders in May, and again in September, to discuss key issues
- ❑ Total costs to 30 June 2008 £1.3m, anticipate a total of £3.0m to be incurred to submit the planning application

CURRENT TRADING AND OUTLOOK

- ❑ 2008 commenced as anticipated
- ❑ Major film and television productions in the studios
- ❑ The Group's diversification and growth strategy is well founded
- ❑ New banking facilities of £70m supports the growth strategy
- ❑ Level of visibility on prospective revenues reinforces the Board's confidence in the outlook for the year as a whole



www.pinewoodgroup.com

