

Pinewood Shepperton plc  
“A leading provider of services to the  
global film and television industry”

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2010 Results Presentation  
8 March 2011

# AGENDA



Company Overview

Financial Review

Operating Review

- Markets
- Film
- Television
- Media Park

Current Trading & Outlook

# COMPANY OVERVIEW

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Ivan Dunleavy, Chief Executive

# DELIVERING OUR STRATEGY



- Performance ahead of market expectations
- Revenues up 8% benefitting from a broadening and diverse offering
- Operating profit up 20% in 2010
- Strong progress on international strategy
- The Company expects continuing growth in revenues in 2011
- New stage capacity and film initiatives
- Total dividend up 4.3%

# FINANCIAL REVIEW

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Patrick Garner, Finance Director

# RESULTS OVERVIEW



	2010 £m	2009 £m
Revenue	<u>43.4</u>	<u>40.3</u>
Film	29.0	22.7
Television	8.2	11.3
Media Park	6.2	6.3
EBITDA	12.8	11.4
Operating profit	9.1	7.6
Basic eps	9.3p	9.1p
Total dividend	3.60p	3.45p
Return on capital employed	7.7%	6.6%

# PROFITABILITY



	2010 £m	2009 £m	
Operating profit *	9.1	7.7	<ul style="list-style-type: none"> <li>• 18% increase</li> <li>• Gross margin 40% (2009: 39%)</li> <li>• Operating margins 21% (2009: 19%)</li> </ul>
Finance costs	3.3	3.2	<ul style="list-style-type: none"> <li>• Interest cover 2.8 times (2009: 2.4 times)</li> </ul>
Profit before tax	5.8	4.5	<ul style="list-style-type: none"> <li>• 31% increase</li> </ul>
Taxation	1.5	0.3	<ul style="list-style-type: none"> <li>• Effective rate 26.3% (2009: 6%) post adjustments</li> </ul>
Profit after tax	4.3	4.2	<ul style="list-style-type: none"> <li>• Basic eps 9.3p (2009: 9.1p)</li> <li>• Diluted eps 8.9p (2009: 8.8p)</li> </ul>

\* before exceptional items

# CASH FLOW



	2010 £m	2009 £m
EBITDA	12.8	11.4
Movement in working capital	4.7	(2.3)
Movement in share based payments and exceptionals	0.1	(0.6)
Cash generated from operations	17.6	8.5
Capital expenditure	(6.7)	(6.3)
Corporation tax	(1.9)	(1.5)
Interest	(3.0)	(2.8)
Dividends	(1.6)	(1.5)
(Repayment of)/proceeds from bank and joint venture borrowings	(3.5)	2.6
Net asset financing/other	0.5	1.3
<b>Net increase in cash</b>	<b>£1.4</b>	<b>£0.3</b>
<b>Capital Expenditure</b>		
Pre-let development	0.5	0.7
Digital content services	1.0	0.5
Life cycle	3.0	3.1
Project <i>Pinewood</i>	1.2	2.0
Energy Infrastructure	1.0	-
	<b>£6.7</b>	<b>£6.3</b>

# BALANCE SHEET



	2010 £m	2009 £m
<b>Assets</b>		
Property, plant and equipment	115.4	112.6
Investment property	6.4	6.3
Intangible & long term assets	5.9	5.6
Current assets	8.3	5.5
<b>TOTAL ASSETS</b>	<b>136.0</b>	<b>130.0</b>
<b>Equity</b>	75.1	72.6
<b>Liabilities</b>		
Loans and borrowings	43.2	45.1
Deferred tax	1.3	1.9
Current Liabilities	16.4	10.4
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>136.0</b>	<b>130.0</b>
Financial gearing	56%	63%

## Assets carried at cost to the Group, less depreciation

	2010	2009
Land and Building	£107.0m	£104.3m
Plant and Equipment	£8.4m	£8.3m
<b>Total</b>	<b>£115.4m</b>	<b>£112.6m</b>

## Loans and borrowings

	Utilised	Facilities
	£m	£m
Operations	22.5	35.0
RCF	-	5.0
Overdraft	1.8	1.8
Asset Financing	0.9	-
Other	25.2	41.8
<b>Media Park</b>		
Pre-let	6.0	30.0
Share of SSPP loan (50%)	12.0	20.0
	18.0	50.0
	<b>43.2</b>	<b>91.8</b>

# OPERATING REVIEW & OUTLOOK

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Ivan Dunleavy, Chief Executive

# THE MARKETS



## Film - A growing international market

- Pinewood competing in a global market
- 2010 Global film box office sales of US \$32bn (2009: US\$30bn)
- Global box office 2002-2010 up 60% (MPAA)
- 2010 UK production spend £1,115m (2009: £1,017m)

## Television – Ongoing demand for creative content

- UK television industry revenue £11.1bn in 2009 (Ofcom)
- Rising advertising revenues will ultimately benefit production budgets
- Increasing demand for large studio based facilities
- BBC announced closure of Television Centre in 2013

## Media Park – The appeal of creative hubs continues

- Consistent demand from screen industry tenants

# FILM



- Film revenues of £29.0m (2009: £22.7m)
- Leading facility in an international market
- Winning more of Hollywood's inward investment films
- Premiere and unique facilities
- Flexibility of assets for large scale TV
- Five productions filmed in 3D
- Large scale set construction extensively utilised the backlots



Pirates of the Caribbean: On Stranger Tides  
© Disney Enterprises, Inc.



Captain America: The First Avenger  
© 2010 MVLFFLLC. TM & © 2010 Marvel Entertainment, LLC and its subsidiaries. All rights reserved



My Week With Marilyn  
© Trademark (Marilyn) Ltd

## Digital Content Services

- Enhancing technical infrastructure
- Extending digital content offer:
  - Cost efficient digital production
  - Preservation, restoration and archive services
  - International language versioning
  - Original sound post production
- Bespoke secure digital facility



127 HOURS © Pathé Productions Ltd



How To Train Your Dragon © Paramount Pictures

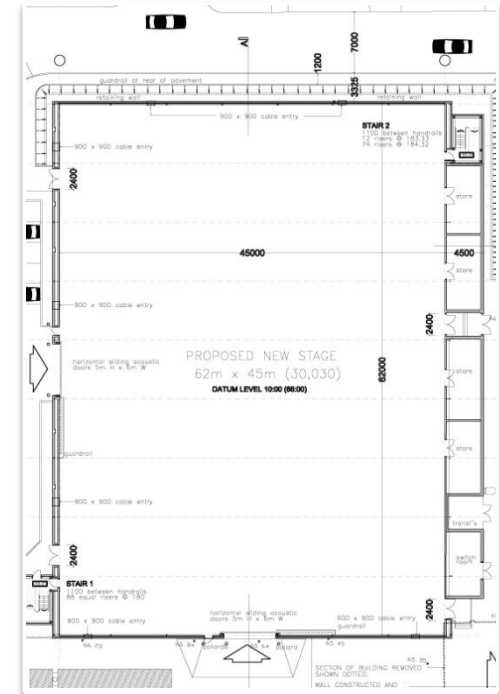


Pinewood Data Centre

# FILM – INITIATIVES



- New stage at Pinewood:
  - Demand led
  - Plus 7% capacity
  - 30,000 sq ft sound stage
  - TV friendly
  - £5.1m investment
  - Completion expected by 2012
- New film investment
  - Low capital risk
  - Benefits to utilisation
  - Attractive Government fiscal incentives
  - Targeting small UK films



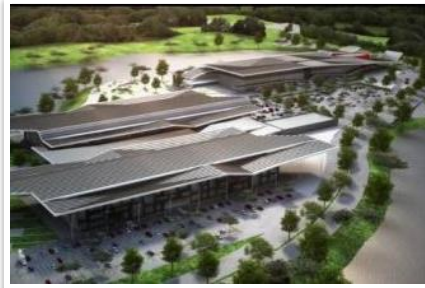
# INTERNATIONAL



- Incremental and diversified income stream
- Create opportunities with appropriate partners and minimal capital commitment by leveraging our brand
- Target strategic, regional and growth areas
- Become a leading provider of studio space worldwide
- Review other potential growth areas



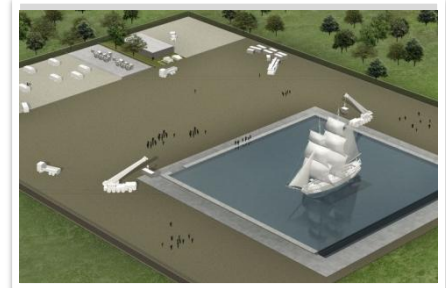
Pinewood Toronto Studios



Pinewood Iskandar Malaysia Studios



Pinewood Studio Berlin Film Services



Pinewood Indomina Studios

# TELEVISION



- As expected, revenue £8.2m (2009: £11.3m) due to:
  - pressures on production budgets and
  - utilisation of TV studios for film
- Top three player in television facilities market
- Ongoing demand for larger studio based productions
- Pinewood uniquely provides a full service offer and the flexibility of large studios
- Providing services to customers off site



Come Fly With Me  
© BBC



Got To Dance  
© Sky 1 HD



The Magicians  
© BBC

# MEDIA PARK



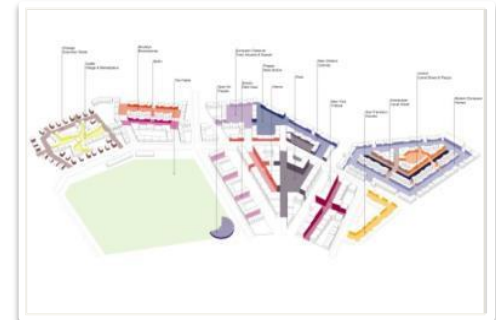
- Revenue £6.2m (2009: £6.3m)
- A consistent performance
- Integral part of our creative industries cluster:
  - Broad service offering
  - Bespoke tenanted space
  - Rental rates performing well
- 90% occupancy using 380,000 sq ft of existing space
- Existing consents to fulfil occupier led demand



# PROJECT *PINEWOOD*



- Strategy:
  - Innovative extension of existing strategy
  - Long term plan of national significance
- Status:
  - Project *Pinewood* appeal to commence on 5 April 2011
  - Decision ultimately by the Secretary of State for Communities and Local Government
  - TVG application successfully rebuffed
  - Costs invested to date of £6.0m



# CURRENT TRADING & OUTLOOK



- Robust trading to date
- Continued strong demand from big budget films
- Attracting big budget television shows
- Media Park revenues consistent
- New stage capacity responding to demand
- Low risk film investment
- The Company expects continuing growth in revenues in 2011



Pirates of the Caribbean: On Stranger Tides  
© Walt Disney Studios



The Woman in Black  
© Momentum Pictures



Dancing on Ice  
© ITV Studios

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