

Pinewood Shepperton plc

Notice of Annual General Meeting



Pinewood Shepperton plc
(Registered in England and Wales with no. 3889552)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your registered holding of ordinary shares in the Company please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

Notice of the Annual General Meeting of the Company to be held at the offices of JPMorgan Cazenove, 20 Moorgate, London EC2R 6DA on 23 May 2005 at 10.30 am is set out at the end of this document.

A Form of Proxy for use at the Meeting is enclosed. However, a proxy may also be appointed for CREST members, by using the CREST electronic proxy appointment service. To be valid, any instrument appointing a proxy must be received by Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL, as soon as possible but in any event so as to arrive no later than 10.30 am on 21 May 2005.



Pinewood Shepperton plc

(Registered in England and Wales with no. 3889552)

Directors

M I Grade (Chairman)
 I P Dunleavy (Chief Executive)
 P F Garner (Finance Director)
 S R Jaggs (Managing Director)
 B A F Burn (Non-Executive Director)
 N P Hall (Non-Executive Director)

Registered Office

Pinewood Road
 Iver Heath
 Buckinghamshire
 SL0 0NH

15 April 2005

To holders of ordinary shares of 10p each in the Company

Dear Shareholder,

This letter accompanies the 2004 Annual Report and gives details of the business to be transacted at the Annual General Meeting of the Company.

Annual General Meeting

Notice of the Annual General Meeting is given on page 5. Resolutions 1 to 13 set out in the Notice deal with the ordinary business to be transacted at the Meeting and resolutions 14 to 16 deal with the special business to be transacted.

Resolution 1 – Adoption of the Annual Accounts, Directors' Report and the Directors' Remuneration Report

Company law requires the Directors to present their Report, the Annual Accounts and the auditable part of the Directors' Remuneration Report to shareholders for formal adoption. The Directors' Report, the Annual Accounts and the Directors' Remuneration Report are included in the 2004 Annual Report.

Resolution 2 – Approval of the Directors' Remuneration Report

The purpose of Resolution 2 is to approve the Directors' Remuneration Report for the year ended 31 December 2004. The Directors' Remuneration Report for the year ended 31 December 2004 is contained in the 2004 Annual Report.

Resolution 3 – To declare a final dividend for the year ended 31 December 2004

Resolution 3 proposes the final dividend in respect of the year ended 31 December 2004. A final dividend can only be paid after its approval by shareholders. The Directors recommend a final dividend of 2.7p per ordinary share be declared payable on 27 May 2005 to holders of ordinary shares registered at the close of business on 6 May 2005.

Resolutions 4 to 9 – Re-election of Directors

The Articles of Association of the Company require the Directors to be subject to re-election at the first Annual General Meeting following their appointment. As the Annual General Meeting is the first to be held since the adoption of the current Articles of Association and previously the Directors have not been subject to re-election, each of the Directors is offering himself for re-election and Resolutions 4 to 9 propose the re-election of such Directors.

Brief biographies of the Directors are set out on page 17 of the 2004 Annual Report.

Resolution 10 – To reappoint the auditors

The Company is required to appoint auditors at each Annual General Meeting at which accounts are laid before the Company, to hold office until the conclusion of the next such meeting. The Audit Committee has reviewed the effectiveness, independence and objectivity of the external auditors, Ernst & Young LLP, on behalf of the Board, who now propose their reappointment as auditors of the Company.

Resolution 11 – Authority for the Directors to fix the auditors' remuneration

This Resolution authorises the Directors, in accordance with standard practice, to negotiate and agree the remuneration of the auditors. In practice, the Audit Committee will consider the audit fees for recommendation to the Board.

Resolution 12 – Authority to allot shares

The Resolution asks shareholders to grant the Directors authority under Section 80 of the Companies Act 1985 (the 'Act') to allot shares up to a maximum aggregate nominal value of £1,625,595.90, being approximately 35% of the nominal value of the issued ordinary share capital of the Company as at 14 April 2005. This is the maximum permitted amount under best practice corporate governance guidelines. The authority will expire at the end of five years from the date of the passing of the Resolution. The Directors have no present intention of exercising such authority.

Resolution 13 – Disapplication of pre-emption rights (Special resolution)

If the Directors wish to allot unissued shares or other equity securities for cash or sell any shares which the Company holds in treasury following a purchase of its own shares pursuant to the authority in Resolution 14 below, the Act requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holding. Resolution 13 asks shareholders to grant the Directors authority to allot equity securities or sell treasury shares for cash up to an aggregate nominal value of £229,065.50 (being 5% of the Company's issued ordinary share capital as at 14 April 2005) without first offering the securities to existing shareholders. The Resolution also disapplies the statutory pre-emption provisions in connection with pre-emptive offerings, for example, rights issues and allows the Directors, in the case of a rights issue, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise. The authority will expire at the end of five years from the date of the passing of the Resolution.

Resolution 14 – Purchases of own shares by the Company (Special resolution)

Resolution 14 to be proposed at the Annual General Meeting seeks authority from holders of ordinary shares of 10p each in the capital of the Company ('ordinary shares') for the Company to make market purchases of its own ordinary shares, such authority being limited to the purchase of 10% of the ordinary shares in issue as at 14 April 2005. The maximum price payable for the purchase by the Company of its own ordinary shares will be limited to 5% above the average of the middle market quotations of the Company's ordinary shares, as derived from the Daily Official List of the London Stock Exchange, for the five business days prior to the purchase. The minimum price payable by the Company for the purchase of its own ordinary shares will be 10p per share (being the amount equal to the nominal value of an ordinary share). The authority to purchase the Company's own ordinary shares will only be exercised if the Directors consider that there is likely to be a beneficial impact on earnings per ordinary share and that it is in the best interests of the Company at the time. Company law has been changed recently to allow the Company to hold in treasury any shares purchased by it using its distributable profits. Such shares will remain in issue and capable of being re-sold by the Company or used in connection with certain of its share schemes. The Company intends to take advantage of these developments to the extent that it exercises the authority to buy back its shares, so as to hold the purchased shares in treasury.

Options to subscribe for up to 984,920 ordinary shares have been granted and are outstanding as at 14 April 2005 (being the latest practicable date prior to publication of this document) representing 2.1% of the issued ordinary share capital at that date. If the Directors were to exercise in full the power for which they are seeking authority under Resolution 14, the options outstanding as at 14 April 2005 would represent 2.4% of the ordinary share capital in issue following such exercise.

Resolution 15 – Authority to utilise treasury shares with certain share schemes

Resolution 15 is being proposed to seek the authority required by the UK Listing Authority for a listed company to utilise any shares that it holds in treasury, resulting from a purchase of own shares, as described above, in connection with its employee share option schemes. For example, the Company will be able to use treasury shares to satisfy awards of share options under these schemes. The Company considers that the ability to use treasury shares in this manner (which in any event is expressly envisaged by the new treasury share legislation) will be in the best interests of the Company and its shareholders as a whole.

Resolution 16 – Amendment to the Articles of Association (Special resolution)

Article 214 of the Company's current Articles of Association provides that every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses and liabilities incurred in the execution of the duties of his office provided that the indemnity shall only have effect in so far as its provisions are not void under Section 310 of the Act .

With effect from 6 April 2005, the Act has been amended so as to introduce a new regime for directors' indemnities. Amongst other things, the new regime will introduce a power for companies to indemnify their directors against certain liabilities to third parties and permit companies to pay directors' defence costs as they are incurred.

To enable the Company to take advantage of the new regime, a change is required to this Article. The new Article 214 is proposed, which will provide the Company with the power to extend the scope of the indemnity and pay Directors' defence costs, at its discretion, on the terms permitted by the amended Act. Any indemnity to be granted pursuant to the new provisions will be subject to prior Board approval and will be disclosed in the annual Directors' Remuneration Report.

Action to be taken

You are asked to either:

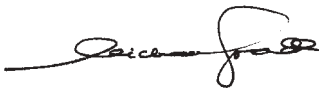
1. complete the attached Form of Proxy and return it, together with any power of attorney or other authority under which it is signed or a notarially certified or office copy thereof, to Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL, so as to arrive no later than 10.30 am on 21 May 2005; or
2. if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service details of which are set out in Note 3 to the Notice of Annual General Meeting.

Completion of the Form of Proxy or appointment of a proxy through CREST does not prevent you from attending and voting in person.

Recommendation

The Board believes that the Resolutions to be put to the Annual General Meeting are in the best interests of the shareholders as a whole and, accordingly, recommends that the shareholders vote in favour of the Resolutions, as the Directors intend to do in respect of their beneficial holdings of ordinary shares (in respect of which they have the power to exercise or direct the exercise of voting rights) which, in aggregate, amount to 1,967,316 ordinary shares (representing approximately 4% of the issued share capital of the Company).

Yours sincerely



Michael Grade
Chairman

Notice of Annual General Meeting

Pinewood Shepperton plc

(Registered in England and Wales with no. 3889552)

NOTICE is hereby given that the Annual General Meeting of Pinewood Shepperton plc (the '**Company**') will be held at the offices of JPMorgan Cazenove, 20 Moorgate, London EC2R 6DA on 23 May 2005 at 10.30 am for the transaction of the following business:

Ordinary business

As ordinary business to consider and, if thought fit, to pass the following Resolutions, of which numbers 1 to 12 will be proposed as ordinary resolutions and Resolution 13 will be proposed as a special resolution:

1. That the Company's annual accounts for the year ended 31 December 2004 together with the Directors' report and the auditors' report on those accounts and on the auditable part of the Directors' remuneration report be adopted.
2. That the Directors' remuneration report for the year ended 31 December 2004, which is set out in the annual report of the Company for the year ended 31 December 2004, be approved.
3. That the dividend recommended by the Directors of 2.7p per ordinary share for the year ended 31 December 2004 be declared payable on 27 May 2005 to holders of ordinary shares registered at the close of business on 6 May 2005.
4. That Michael Grade be re-elected as a Director.
5. That Ivan Dunleavy be re-elected as a Director.
6. That Patrick Garner be re-elected as a Director.
7. That Stephen Jaggs be re-elected as a Director.
8. That Adrian Burn be re-elected as a Director.
9. That Nigel Hall be re-elected as a Director.
10. That Ernst & Young LLP be reappointed as auditors to the Company until the conclusion of the next Annual General Meeting of the Company.
11. That the Directors be authorised to fix the auditors' remuneration.
12. That for the purposes of Section 80 Companies Act 1985 (and so that expressions used in this Resolution shall bear the same meanings as in the said Section 80):
 - 12.1 the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities up to a maximum nominal amount of £1,625,595.90 to such persons and at such times and on such terms as they think proper during the period expiring at the end of five years from the date of the passing of this Resolution (unless previously revoked or varied by the Company in general meeting); and
 - 12.2 the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this Resolution;

so that all previous authorities of the Directors pursuant to the said Section 80 be and are hereby revoked.

13. That the Directors be and are empowered in accordance with Section 95 Companies Act 1985 (the **'Act'**) to sell treasury shares (as defined in Section 162 of the Act) and, subject to the passing of Resolution 12 set out in the Notice convening this Meeting, make other allotments of equity securities (and the expression 'allotment of equity securities' and like expressions used in this Resolution shall have the meaning given to them by virtue of Section 94 of the Act) for cash, pursuant to the authority conferred on them to allot relevant securities (as defined in Section 80 of the Act) by that Resolution, in each case as if Section 89(1) and sub-sections (1) – (6) of Section 90 of the Act did not apply to any such sale or allotment, provided that the power conferred by this Resolution shall be limited to:
- 13.1 the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering (other than the Company itself in respect of any shares held by it as treasury shares) where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
- 13.2 the allotment (otherwise than pursuant to paragraph 13.1 above) of equity securities up to an aggregate nominal value not exceeding £229,065.50;

and this power, unless renewed, shall expire at the end of five years from the date of the passing of this Resolution but shall extend to the making, before such expiry, of an offer or agreement which would or might require an allotment of equity securities to be made after such expiry and the Directors may make an allotment of equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Special business

As special business to consider and, if thought fit, to pass the following Resolutions, numbers 14 and 16 of which will be proposed as special resolutions and number 15 will be proposed as an ordinary resolution:

14. That the Company be and is hereby generally and unconditionally authorised for the purpose of Section 166 Companies Act 1985 to make market purchases (as defined in Section 163 of the said Act) of ordinary shares of 10p each in the capital of the Company (**'ordinary shares'**) provided that:
- 14.1 the maximum number of ordinary shares hereby authorised to be purchased is 4,581,311;
- 14.2 the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 10p per share, being the nominal amount thereof;
- 14.3 the maximum price (exclusive of expenses) which may be paid for such ordinary shares shall be an amount equal to 5% above the average of the middle market quotations for such shares taken from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made;
- 14.4 the authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the end of the next Annual General Meeting of the Company and the date which is 18 months after the date on which this Resolution is passed; and
- 14.5 the Company may make a contract to purchase its own ordinary shares under the authority conferred by this Resolution prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and the Company may make a purchase of its own ordinary shares in pursuance of any such contract.
15. That, where the Company holds shares in treasury in accordance with Section 162A Companies Act 1985, the Company be and is hereby authorised to transfer such shares or sell such shares for cash (or any of them) for the purposes of or pursuant to an employees' share scheme provided that this Resolution shall be without prejudice to the generality of Section 162D of the said Act.

16. That, pursuant to Section 9 of the Companies Act 1985, the Articles of Association of the Company be altered by deleting the present Article 214 and substituting the following Article 214 therefor:

214.1 "The Company may indemnify, out of the assets of the Company, any Director of the Company or of any associated company against all losses and liabilities which he may sustain or incur in the execution of the duties of his office or otherwise in relation thereto, provided that this Article 214.1 shall only have effect insofar as its provisions are not void under Sections 309A or 309B of the Act.

214.2 Subject to Sections 337(4) to (6) of the Act, the Company may provide a Director of the Company with funds to meet expenditure incurred or to be incurred by him in defending any civil or criminal proceedings brought or threatened against him in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or in connection with any application under Section 144(3) or (4) or Section 727 of the Act, and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under Section 330 of the Act to enable a Director to avoid incurring such expenditure."

By order of the board

A handwritten signature in black ink, appearing to read 'N. Wolfin', with a long horizontal flourish extending to the right.

Nigel Wolfin ACA
Secretary
15 April 2005

Pinewood Road
Iver Heath
Buckinghamshire
SL0 0NH

Notes:

- (1) A member entitled to attend and vote at the Meeting convened by the above Notice is entitled to appoint one or more proxies to attend and, on a poll, to vote in his place. A proxy need not be a member of the Company.
- (2) To appoint a proxy you may:
- (a) use the Form of Proxy enclosed with this Notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be deposited by 10.30 am on 21 May 2005 at the offices of Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL; or
 - (b) if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as described in Note (3) below.

Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent you from attending and voting in person.

- (3) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 23 May 2005 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **'CREST Proxy Instruction'**) must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- (4) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company as at 6 pm on 20 May 2005 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at such time. If the Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned Meeting is 10.30 am on the day preceding the date fixed for the adjourned Meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
- (5) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (6) The following documents are available for inspection at the registered office of the Company, Pinewood Road, Iver Heath, Buckinghamshire SL0 0NH, during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the Meeting:
- (a) the register of interests of the Directors and their families in the share capital of the Company;
 - (b) copies of service contracts between the Directors and the Company or its subsidiary undertakings; and
 - (c) the Articles of Association of the Company.