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24 August 2016

Recommended cash offer for Pinewood Group plc by Picture Holdco Limited

Posting of Scheme Document

On 12 August 2016, the boards of directors of Picture Holdco Limited ("**Bidco**") and Pinewood Group plc ("**Pinewood**") announced that they had reached agreement on the terms of a recommended cash offer by Bidco for the entire issued share capital of Pinewood (the "**Offer**") to be implemented by means of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**").

The Board of Pinewood announces that it is today posting to Pinewood Shareholders and persons with information rights a circular containing, inter alia, the terms of the Scheme, an explanatory statement pursuant to section 897 of the Companies Act 2006 and notices of the Court Meeting and General Meeting to be convened to implement the Scheme (the "**Scheme Document**").

As described in the Scheme Document, to become effective the Scheme will require the approval of Scheme Shareholders at the Court Meeting and the passing of a special resolution at the General Meeting of Pinewood. The Court Meeting and the General Meeting are scheduled to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL on 19 September 2016 at 9.00 a.m. and 9.15 a.m. (or, if later, as soon as the Court Meeting has been concluded or adjourned) respectively.

The current expected timetable of principal events for the implementation of the Scheme is set out in the Scheme Document and attached as an appendix to this announcement. If any of the key dates set out in the expected timetable change, an announcement will be made via a Regulatory Information Service.

The Scheme will also require the subsequent sanction of the Court. A full description of the required approvals and terms and conditions of the Scheme, together with the action to be taken by Pinewood Shareholders and the persons entitled to vote at the above meetings, are set out in the Scheme Document. Subject to approval at the relevant meetings and the satisfaction or waiver of the other conditions set out in the Scheme Document, the Scheme is expected to become effective on 4 October 2016. As the Pinewood Group includes an FCA-authorised subsidiary, Pinewood Film Advisors Limited, the Offer will be conditional upon FCA consent to the change of control of Pinewood Film Advisors Limited for the purposes of the controllers regime under Part XII of the Financial Services and Markets Act 2000 (as amended). As a result, the timetable for the Scheme is subject to change and if any of the key dates set out in the expected timetable change, an announcement will be made via a Regulatory Information Service.

The Scheme Document together with copies of the Forms of Proxy are available, subject to certain restrictions relating to Restricted Jurisdictions, for inspection during normal business hours on any

weekday (public holidays excepted) at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL.

The Scheme Document and Forms of Proxy will be made available, subject to certain restrictions relating to Restricted Jurisdictions, on Pinewood's website (pinewoodgroup.com/about-us/investor-relations).

Capitalised terms used, but not defined, in this announcement shall have the same meaning as set out in the Scheme Document.

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Rothschild, which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Pinewood and for no one else in connection with the subject matter of this Announcement and will not be responsible to anyone other than Pinewood for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this Announcement.

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The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and/or regulation and therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Pinewood Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable requirements may constitute a violation

of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

The Scheme relates to shares of an English company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of US proxy solicitation or tender offer rules or the laws of other jurisdictions outside the United Kingdom.

Dealing Disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by an offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

APPENDIX

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme. All times shown in this document are London times unless otherwise stated.

Event	Time and/or date
Agreed Dividend Record Date	close of business, 2 September 2016
Latest time for receipt of Forms of Proxy for:	
Court Meeting (blue form)	9.00 a.m. on 15 September 2016 ⁽¹⁾
General Meeting (white form)	9.15 a.m. on 15 September 2016 ⁽¹⁾
Voting Record Time	6.30 p.m. on 15 September 2016 ⁽²⁾
Court Meeting	9.00 a.m. on 19 September 2016
General Meeting	9.15 a.m. on 19 September 2016 ⁽³⁾
The following dates are indicative only and are subject to change⁽⁴⁾	
Pinewood AGM	10.30 a.m. on 26 September 2016
Scheme Court Hearing (to sanction the Scheme)	27 September 2016, subject to regulatory clearance
Last day of dealings in, and for registrations of transfers, of Pinewood Shares	28 September 2016
Scheme Record Time	6.00 p.m. on 28 September 2016
Agreed Dividend payment date	3 October 2016
Effective Date of the Scheme	4 October 2016
Cancellation of admission of and dealings in Pinewood Shares on AIM	5 October 2016
Latest date for despatch of cheques and/or crediting of CREST accounts for cash consideration due under the Scheme	Within 14 days of the Effective Date
Long Stop Date	12 December 2016 ⁽⁵⁾

Notes:

The Court Meeting and the General Meeting will both be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL.

- (1) If the blue Form of Proxy for the Court Meeting is not received by Pinewood's Registrar, Equiniti, by 9.00 a.m. on 15 September 2016, it may be handed to the Chairman at the Court Meeting at any time before the taking of the poll and still be valid. However, the white Form of Proxy for the General Meeting must be received by Pinewood's Registrar by 9.15 a.m. on 15 September 2016 in order for it to be valid or, if the General Meeting is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a Business Day).
- (2) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the adjourned meeting will be 6.30 p.m. on the day which is two Business Days before the date fixed for the adjourned meeting.
- (3) The General Meeting will commence at 9.15 a.m. on 19 September or, if later, as soon thereafter as the Court Meeting has been concluded or adjourned.
- (4) These dates are indicative only and will depend, amongst other things, on the date upon which (i) the Conditions are either satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; (iii) the Scheme Court Order is delivered to the Registrar of Companies.
- (5) This is the latest date by which the Scheme may become Effective unless Pinewood and Bidco agree, with the consent of the Panel and (if required) the Court, a later date.