



Picture Holdco Limited  
18 St Swithin's Lane  
4th Floor  
London  
EC4N 8AD  
For the attention of: Paul Golding

11 August 2016

Our ref: RED/SHampton/Picture

Dear Sirs,

**PROJECT PICTURE**

Offer for Pinewood Group plc

We refer to the proposed announcement (the "Announcement") expected to be released at opening of business on 12 August 2016, under rule 2.7 of the City Code on Takeovers and Mergers (the "City Code") of a recommended cash offer to be made by Picture Holdco Limited in the near final form of the proof attached hereto as Appendix A.

We hereby give our consent in the inclusion in the Announcement of references to our name in the form and context in which it is included in the Announcement, which we have initialled for the purpose of identification.

Yours faithfully

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP

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T: +44 (0) 2075 835 000, F: +44 (0) 2072 127 500, www.pwc.co.uk*

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6AH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.



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**Appendix A**  
**2.7 Announcement**

# initial for identification purposes only

JR

For immediate release

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

12 August 2016

## RECOMMENDED CASH OFFER

for

Pinewood Group plc

by

Picture Holdco Limited

(a newly-incorporated company indirectly owned by PW Fund III)

intended to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

### Summary

Further to the announcement on 28 July 2016, the boards of Bidco and Pinewood are pleased to announce that Bidco has satisfied its financing pre-condition and accordingly Bidco and Pinewood have reached agreement on the terms of a recommended cash acquisition pursuant to which Bidco, a newly-incorporated company indirectly owned by PW Fund III, intends to acquire all of the issued share capital of Pinewood.

Under the terms of the Offer, each Pinewood Shareholder will be entitled to receive 563.2 pence per Pinewood Share on the following basis:

- for each Pinewood Share 560 pence in cash; and
- for Pinewood Shareholders who are on the register of members of Pinewood at the close of business on 2 September 2016, the Agreed Dividend of 3.2 pence per Pinewood Share which, subject to shareholder approval at the Pinewood AGM, will be paid on 3 October 2016 without any reduction to the Offer Price payable by Bidco under the terms of the Offer.

This price (including the Agreed Dividend) represents a value of £323.3 million for the entire issued ordinary share capital of Pinewood and represents:

- a premium of 31.0 per cent. to the undisturbed average closing price of 430 pence for the 20 Business Days ending 9 February 2016, the date prior to the announcement of the Strategic Review; and

- a premium of 50.2 per cent. to the 375 pence price of the share placing by Pinewood which completed on 17 April 2015.
- On 10 February 2016, Pinewood Group announced that it had appointed Rothschild to assist with a Strategic Review of Pinewood's capital base and structure. The background to the Strategic Review was that the Company's shareholder register has been tightly held for a number of years, which has stifled liquidity in the Company's shares and prevented the Company from obtaining a main market listing. The Offer represents the successful outcome of the Strategic Review.
- Bidco is a company incorporated under the laws of England and Wales for the purposes of the Offer and is owned indirectly by PW Fund III. PW Fund III is one of the PW Funds, a series of funds advised by Aermont (formerly, PW Real Assets LLP) and has committed partnership capital of EUR 1.5 billion. Aermont is a London-based independent asset management business that serves as investment advisor to each of the PW Funds. The PW Funds invest in real estate and real estate related opportunities, including operating companies with a real estate component in the UK and Europe, focusing on long-term value creation projects for assets and businesses. Collectively, the PW Funds have received equity commitments of around EUR 4 billion made by investors that include prominent public and private pension plans and other institutions in Europe, the United States, Asia and the Middle East.
- Aermont and the PW Funds have contributed their operational expertise, market insights and financial capital to support the enhancement and growth of a number of established operating companies by working closely with management to successfully implement a variety of major strategic initiatives. Bidco intends to support Pinewood, as an independent leading British business, by working with its existing management to further enhance its position as a global leader in the operation and provision of professional production facilities and related services under its iconic studio brands.
- The Pinewood Directors, who have been so advised by Rothschild as to the financial terms of the Offer (acting as independent Rule 3 adviser to the Pinewood Directors), unanimously consider the terms of the Offer to be fair and reasonable and in the best interests of Pinewood Shareholders as a whole. In providing advice to the Pinewood Directors, Rothschild has taken into account the commercial assessments of the Pinewood Directors. Peel Hunt in its role as corporate broker and nominated adviser to the Company has advised the Pinewood Directors on the merits of the Offer and the recommendation to Pinewood Shareholders.
- Accordingly, the Pinewood Directors intend to recommend unanimously that Pinewood Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting, as the Pinewood Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 323,267 Pinewood Shares representing, in aggregate, approximately 0.56 per cent. of the ordinary share capital of Pinewood in issue on 11 August 2016 (being the last Business Day prior to this Announcement) (or, if

the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer).

- Irrevocable undertakings have also been received from Goodweather Investment Management Limited, Warren James Holdings Limited and Aviva plc to vote, or procure the vote, in favour of all of the Resolutions in respect of their entire beneficial holdings of Pinewood Shares amounting, in aggregate, to 45,544,394 Pinewood Shares, which represent approximately 79.33 per cent. of the ordinary share capital of Pinewood in issue on 11 August 2016 (being the last Business Day prior to this Announcement) (or, in the event that the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer).
- In total therefore, irrevocable undertakings in favour of the Resolutions have been received from Pinewood Shareholders controlling, in aggregate, 45,867,661 Pinewood Shares, which represents approximately 79.9 per cent of the ordinary share capital of Pinewood in issue on 11 August 2016 (being the last Business Day prior to this Announcement).
- The Offer is intended to be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. Bidco reserves the right to elect to implement the Offer by way of a Contractual Offer, subject to the Panel's consent.
- The Offer is also subject to the Conditions and certain further terms set out in Appendix 2 to this Announcement, including the sanction of the Scheme by the Court, and to the full terms and conditions which will be set out in the Scheme Document.
- The Scheme Document, containing further information about the Offer and notices convening the Court Meeting and the General Meeting, will be published in due course (and, in any event, within 28 days of this Announcement) and will be made available by Bidco on its website at [www.pictureholdcoltd.com](http://www.pictureholdcoltd.com) and by Pinewood on its website at [www.pinewoodgroup.com/investor-relations](http://www.pinewoodgroup.com/investor-relations).
- It is expected that the Scheme will become Effective in the fourth quarter of 2016, subject to the satisfaction or waiver of the Conditions and certain further terms set out in Appendix 2 to this Announcement. As the Pinewood Group includes an FCA-authorized subsidiary, Pinewood Film Advisors Limited, the Offer will be conditional upon FCA consent to any 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.

Commenting on the Offer, Lord Grade of Yarmouth, CBE, Chairman of Pinewood, said:

"The Board believes that Bidco can provide Pinewood with the platform required for future growth. The Pinewood Group has been transformed in recent years but has been somewhat constrained in realising its ambitions due to the lack of share liquidity. As a result of the Strategic Review instigated by the Board, Pinewood now has the prospect of a funding structure for the future. The Board is encouraged by the commitment Bidco

has already shown to management, to Pinewood's strategy for growth, and to the future of the iconic Pinewood Studios.

The Board believes that this transaction provides our shareholders with an attractive offer. Moreover the Board believes that following the transaction, Pinewood and clients will benefit from greater opportunities in the years ahead and the Board intends to recommend the offer unanimously."

Commenting on the Offer, Léon Bressler, Managing Partner of Aermont, said:

"Pinewood is an iconic brand at the heart of the global creative industries.

The transformation of the business in recent years has been considerable and it is clear that there are more ambitions to be realised. We are excited about the potential to support the business as an independent company.

Aermont has a strong track record in operating companies with a real estate component. We look forward to working with Pinewood's management team to deliver their compelling strategy for future growth, both in the UK and internationally."

This summary should be read in conjunction with, and is subject to, the following full Announcement and the Appendices. Certain terms used in this Announcement are defined in Appendix 1 to this Announcement. Information in respect of the irrevocable undertakings is set out in Appendix 3 to this Announcement. Appendix 4 to this Announcement contains bases and sources of certain information contained in this Announcement.

## Enquiries

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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.

Peel Hunt which is authorised 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.

PricewaterhouseCoopers, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Bidco and for no one else in connection with the matters referred to in this Announcement and will not be responsible to any person other than Bidco for providing the protections afforded to clients of PricewaterhouseCoopers, nor for providing advice in relation to the matters referred to herein. Neither PricewaterhouseCoopers nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under

statute or otherwise) to any person who is not a client of PricewaterhouseCoopers in connection with the matters referred to in this Announcement, or otherwise.

Jones Day are retained as legal advisers to Bidco.

Travers Smith LLP are retained as legal advisers to Pinewood.

## **IMPORTANT NOTES**

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer or invitation to sell or purchase any securities, or the solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise nor shall there be any sale, issuance or transfer of securities of Pinewood in any jurisdiction in contravention of applicable law. The Offer will be effected solely through the Scheme Document (or, if the Offer is implemented by way of a Contractual Offer, the offer document) which will contain the full terms and conditions of the Offer. Any vote, decision in respect of, or other response to, the Scheme (or the Contractual Offer, if applicable) should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the offer document). Each Pinewood Shareholder is urged to consult its independent professional advisers immediately regarding the tax consequences of the Offer applicable to them.

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 availability of the Offer to persons who are not resident in the United Kingdom may be restricted by the laws and/or regulations of the relevant jurisdictions in which they are located. The Offer will not be made available, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. 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 requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

This Announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of England.

The Offer 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.

Copies of this Announcement and formal documentation relating to the Offer will not be, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Offer. If the Offer is implemented by way of a Contractual Offer (unless otherwise permitted by applicable law or regulation), the Contractual Offer may not be made, directly or indirectly, in or into or from any Restricted Jurisdiction.

In accordance with normal UK practice, Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Pinewood Shares, other than pursuant to the Offer, until the date on which the Scheme (or Contractual Offer, if applicable) becomes Effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

#### **Publication on Website**

Pursuant to Rule 26.1 of the Code, a copy of this Announcement and other documents in connection with the Scheme will, subject to certain restrictions, be available for inspection on Bidco's website at [www.pictureholdcoltd.com](http://www.pictureholdcoltd.com) and Pinewood's website at [www.pinewoodgroup.com/investor-relations](http://www.pinewoodgroup.com/investor-relations) no later than 12 noon (London time) on the Business Day following this Announcement. The contents of the websites referred to in this Announcement are not incorporated into, and do not form part of, this Announcement.

#### **Electronic communications**

Please be aware that addresses, electronic addresses and certain information provided by Pinewood Shareholders, persons with information rights and other relevant persons for the receipt of communications from Bidco may be provided to Bidco during the Offer Period as requested under Section 4 of Appendix 4 of the Code to comply with Rule 2.12(c) of the Code.

#### **Requesting Hard Copy Documents**

Pursuant to Rule 30.2 of the Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form. A person may

also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested from either Bidco by contacting Davinia Smith at [davinia.smith@alterdomus.com](mailto:davinia.smith@alterdomus.com) or telephone number +44(0)2076454800; or Pinewood by contacting Andrew M. Smith at [andrew.smith@pinewoodgroup.com](mailto:andrew.smith@pinewoodgroup.com) or telephone number +44 (0) 1753 656 732.

**Cautionary note regarding forward-looking statements**

This Announcement (including information incorporated by reference to this Announcement), oral statements made regarding the Offer and other information published by Bidco and Pinewood contain certain statements which are, or may be deemed to be, "forward-looking statements" with respect to, for example, the financial condition, results of operations and business of Pinewood and certain plans and objectives of Bidco with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often, but not always, use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", "budget", "forecast", "scheduled", or other words of similar meaning. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. These statements are based on assumptions and assessments made by Pinewood or Bidco in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this Announcement. Neither Pinewood nor Bidco assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates and changes in tax rates.

## **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

## **No Profit Forecast**

No statement in this Announcement is intended as a profit forecast or a profit estimate and no statement in this Announcement should be interpreted to mean that prospective earnings per Pinewood Share for the current or future financial years would necessarily match or exceed the historical published earnings per Pinewood Share.

## **Dealing Disclosure Requirements**

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of 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 10<sup>th</sup> Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10<sup>th</sup> 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 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 1 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, 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 an 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](http://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. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

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12 August 2016

**RECOMMENDED CASH OFFER**

for

**Pinewood Group plc**

by

**Picture Holdco Limited**

**(a newly-incorporated company indirectly owned by PW Fund III)**

**intended to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006**

**1. INTRODUCTION**

Further to the announcement on 28 July 2016, the boards of Bidco and Pinewood are pleased to announce that Bidco has satisfied its financing pre-condition and accordingly Bidco and Pinewood have reached agreement on the terms of a recommended cash acquisition pursuant to which Bidco, a newly-incorporated company indirectly owned by PW Fund III, intends to acquire all of the issued share capital of Pinewood.

The Offer is intended to be implemented by means of a Court-sanctioned scheme of arrangement between Pinewood and Pinewood Shareholders under Part 26 of the Companies Act. Bidco reserves the right to elect to implement the Offer by way of a Contractual Offer, subject to the Panel's consent.

The Scheme will be subject to the Conditions set out below and in Appendix 2 to this Announcement and the full terms and conditions to be set out in the Scheme Document.

Subject to the satisfaction or, where appropriate, waiver of the Conditions, it is expected that the Offer will become Effective in the fourth quarter of 2016. Further details in respect of the expected timetable of key events in relation to the Offer will be set out in the Scheme Document to be sent to Pinewood Shareholders in due course.

## 2. TERMS OF THE OFFER

The Offer, which will be subject to the Conditions and certain further terms referred to in Appendix 2 to this Announcement, comprises 563.2 pence of cash per Pinewood Share on the following basis:

- for each Pinewood Share 560 pence in cash; and
- for Pinewood Shareholders who are on the register of members of Pinewood at the close of business on 2 September 2016, the Agreed Dividend of 3.2 pence per Pinewood Share which, subject to shareholder approval at the Pinewood AGM, will be paid on 3 October 2016 without any reduction to the Offer Price payable by Bidco under the terms of the Offer.

For the avoidance of doubt, the Pinewood AGM will still take place on 26 September 2016 to, inter alia, approve the Agreed Dividend. Pinewood Shareholders should refer to the Notice of General Meeting dated 5 August 2016 for further details on attending and voting at the Pinewood AGM.

If, after the date of this Announcement, any dividend and/or other distribution and/or other return of capital (other than the Agreed Dividend) is announced, declared or paid in respect of the Pinewood Shares, Bidco reserves the right to reduce the Offer Price by an amount up to the amount of such dividend and/or distribution and/or return of capital so announced, declared or paid.

This price (together with the Agreed Dividend) represents a value of £323.3 million for the entire issued ordinary share capital of Pinewood and represents:

- a premium of 31.0 per cent. to the undisturbed average closing price of 430 pence for the 20 Business Days ending 9 February 2016, the date prior to the announcement of the Strategic Review; and
- a premium of 50.2 per cent. to the 375 pence price of the share placing which completed on 17 April 2015.

The Pinewood Directors intend to recommend unanimously that Pinewood Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting, as the Pinewood Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 323,267 Pinewood Shares representing, in aggregate, approximately 0.56 per cent. of the ordinary share capital of Pinewood in issue on 11 August 2016 (being the last Business Day prior to this Announcement) (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer).

Irrevocable undertakings have also been received from Goodweather Investment Management Limited, Warren James Holdings Limited and Aviva plc to vote, or procure the vote, in favour of all of the Resolutions in respect of their entire beneficial holdings of Pinewood Shares amounting, in aggregate, to

Pinewood Shares, which represent approximately 79.33 per cent. of the ordinary share capital of Pinewood in issue on 11 August 2016 (being the last Business Day prior to this Announcement) (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer).

In total therefore, irrevocable undertakings in favour of the Resolutions have been received from Pinewood Shareholders controlling, in aggregate, 45,867,661 Pinewood Shares, which represents approximately 79.9 per cent. of the ordinary share capital of Pinewood in issue on 11 August 2016 (being the last Business Day prior to this Announcement).

### **3. INFORMATION ON PINEWOOD**

Pinewood is a leading provider of studio and related services to the global screen-based industries. The Company's services include film production, filmed television and studio television recording, digital content services and the provision of facilities to media related business.

The Group's unique selling point is the breadth of production related facilities and services available 'on-the-lot' which provides clients with a full service offering. The Company currently has two reporting segments – Media Services, which provides studio and related services to the screen-based industries; and Media Investment, which provides investment funding and production services to the screen-based industries.

The Media Services segment has principally three complementary operating streams – Film; Television; and Media Hub. Within Film and Television, operations include stage and ancillary and digital content services, which includes picture and sound post production, media storage and management and distribution for original English language and internationally re-versioned content.

The Media Hub is currently home to 241 independent businesses representing and providing expertise, equipment and support to the film, television, games, advertising and photographic industries. These companies come together to form a unique cluster and centre of excellence for the entire creative industry.

The Media Investment segment (trading as "Pinewood Pictures") includes an agreement to source and advise on film, high-end television and video game investment opportunities for two media development funds. In addition, the segment involves identification and investment by the Company in British qualifying film and high-end television productions.

International operations, which leverage the Pinewood brand, include providing international sales, marketing, studio development and consultancy services in Canada, the Dominican Republic, Malaysia and China plus a joint venture in the United States of America.

#### **4. CURRENT TRADING OF PINEWOOD**

Since the publication of the results for the financial year ended 31 March 2016, the Company has continued to experience strong demand for its facilities and services.

#### **5. INFORMATION ON BIDCO**

Bidco is a company incorporated under the laws of England and Wales for the purposes of the Offer and is owned indirectly by PW Fund III. Bidco has not traded since its date of incorporation, and Bidco has not entered into any obligations, other than in connection with the Offer and the financing of the Offer.

PW Fund III is one of the PW Funds, a series of funds advised by Aermont. PW Fund III has committed partnership capital of EUR 1.5 billion and no capital has been called to date. PW Fund III acts by its general partner PW Fund III GP. Léon Bressler is the controlling shareholder of PW Fund III GP. Any investment decisions of PW Fund III GP are taken by a five member board of directors, of which four are independent directors.

The PW Funds invest in real estate and real estate related opportunities, including operating companies with a real estate component in the UK and Europe, focusing on long-term value creation projects for assets and businesses. Collectively, the PW Funds have received equity commitments of around EUR 4 billion made by investors that include prominent public and private pension plans and other institutions in Europe, the United States, Asia and the Middle East.

Aermont is a London-based independent asset management business that serves as investment advisor to each of the PW Funds and is managed by a five member Management Committee (including four partners). Léon Bressler is the Managing Partner of Aermont.

#### **6. BACKGROUND TO AND REASONS FOR THE OFFER**

Bidco believes that Pinewood represents a compelling opportunity to invest in a well-established and growing business led by an experienced management team. The Board of Bidco believes that Pinewood's attractions include, among others, (i) its well-recognised and iconic brand; (ii) its world class facilities and market leading position, (iii) its highly regarded and experienced professionals; and (iv) various long-term growth opportunities.

Bidco intends to focus on and invest in Pinewood's core business of providing world class facilities for the production and post-production of screen content both in the UK and internationally. Further, Bidco intends to work with management to evaluate and develop growth opportunities within the business.

Aermont has a strong track record in operating companies with a real estate component. Bidco intends to provide strategic guidance, financial capital and operational expertise to support the continued growth of the Company.

## **7. BACKGROUND TO AND REASONS FOR THE RECOMMENDATION**

On 10 February 2016, Pinewood announced that it had appointed Rothschild to assist with a Strategic Review of Pinewood's capital base and structure. The background to the Strategic Review was that the Company's shareholder register has been tightly held for a number of years, which has stifled liquidity in the Company's shares and prevented the Company from obtaining a main market listing.

As stated in the announcement on 10 February 2016, the goals of the Strategic Review were to "*evaluate alternative opportunities to maximise value for the Company's shareholders and to build on Pinewood's successes to date*". In assessing the future prospect of the Company, the Board has been particularly concerned to address funding for future growth.

Rothschild also assisted with a broader review of the Company's overall capital base and structure. As part of the Strategic Review process, the Company engaged in discussions with a wide range of interested parties, some of whom, including Bidco, put forward proposals to acquire the Company.

Whilst the Pinewood Board continues to believe in the prospects for the business as a standalone company, the Board also recognises that the Offer represents an attractive valuation and premium to the undisturbed share price. The Offer also provides all Pinewood Shareholders with an opportunity to realise their investment which is not otherwise available to them given the relatively illiquid market for Company's shares on AIM. Accordingly, the Board intends to unanimously recommend the Offer to Pinewood Shareholders.

## **8. MANAGEMENT, EMPLOYEES AND LOCATION**

Bidco recognises and respects the capabilities and experience of Pinewood's existing management and employees and considers them to be crucial to the future success of Pinewood.

Bidco intends to discuss with the senior management of Pinewood their continuing involvement in the Enlarged Group. Given the importance which Bidco places on their ongoing participation, Bidco intends to put in place certain incentivisation arrangements with senior management. No discussions have yet taken place between Bidco and senior management in relation to the terms or allocation of those arrangements.

Bidco has no intention of changing the location of Pinewood's operations and intends to continue operating Pinewood as an independent and iconic British business, by working with its management to further enhance its position as a global leader in the operation and provision of professional production facilities and related services.

Following completion of the Offer, Bidco confirms that the existing employment rights of all the Pinewood Group's employees will be fully observed and pension obligations complied with.

Pinewood operates a Long Term Incentive Plan (the LTIP) under which awards have been made to senior management in respect of the year ended 31 March 2016. These LTIP awards entitle participants to receive a cash payment in accordance with the terms of the LTIP on the Scheme becoming Effective.

#### **9. DE-LISTING**

Pinewood intends, at least 20 Business Days prior to the Scheme becoming Effective, to make an application for the cancellation of the admission to trading of Pinewood Shares on AIM, requesting that the cancellation takes place. It is intended that dealing in Pinewood Shares will be suspended at 5.00pm London time on the Business Day immediately preceding the Effective Date.

On the Effective Date, share certificates in respect of Pinewood Shares will cease to be valid and should be destroyed. In addition, entitlements to Pinewood Shares held within the CREST system will be cancelled.

On the Effective Date, the Company will become a wholly-owned subsidiary of Bidco. As soon as possible after the Effective Date, it is intended that the Company will be re-registered as a private limited company.

#### **10. FINANCING THE OFFER**

The cash consideration payable pursuant to the Offer will be funded using a combination of cash resources provided by PW Fund III to Bidco and an acquisition facility to be made available to Bidco by the Lenders pursuant to the Facility Agreement. In connection with the Facility Agreement, Bidco will: (i) pay a coupon pursuant to the terms of the Coupon Letter; (ii) pay an arrangement fee (and may be required to pay certain other fees) pursuant to the terms of the Arrangement Fee Letter; (iii) pay a fee to the Agent under the Agency Fee Letter; and (iv) may be required to pay a prepayment fee pursuant to the terms of the Prepayment Fee Letter for a prepayment of the acquisition facility.

Under the Facility Agreement, Bidco has agreed that it shall be a condition to drawing under the Facility Agreement that, except as consented to by the Lenders, Bidco shall not have waived or amended any term or condition of the Scheme or the Contractual Offer in a manner which is materially adverse to the interests of the Lenders, unless such action is required by the Code, the Panel, a court or any other applicable law, regulation or regulatory body or where the Panel, the Code, the Court or any other court or any other applicable law, regulation or regulatory body would not allow Bidco to invoke or rely on a term in the Scheme or Contractual Offer.

PricewaterhouseCoopers, which is advising Bidco in relation to the cash confirmation pursuant to Rules 2.7(d) and 24.8 of the Code, is satisfied that resources are available to Bidco sufficient to satisfy in full the cash consideration payable under the terms of the Offer.

## **11. INTERESTS IN PINEWOOD SECURITIES**

Save in respect of the irrevocable undertakings referred to in paragraph 15, as at the close of business on 11 August 2016 (being the last Business Day before this Announcement) neither Bidco, nor any of its directors, nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Code) with it has (i) any interest in or right to subscribe for any relevant securities of Pinewood; nor (ii) any short positions in respect of relevant Pinewood Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor (iii) borrowed or lent any relevant Pinewood Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

## **12. THE SCHEME**

It is proposed that the Offer will be implemented by way of a Court-sanctioned scheme of arrangement between Pinewood and Pinewood Shareholders under Part 26 of the Companies Act, although Bidco reserves the right, at its sole discretion and subject to the consent of the Panel, to seek to implement the Offer by way of a Contractual Offer for the entire issued share capital of the Company, and to make appropriate amendments to the terms of the Offer arising from the change from the Scheme to a Contractual Offer. The purpose of the Scheme is for Bidco to become the owner of the entire issued share capital of Pinewood.

The Offer is subject to a number of Conditions and certain further terms set out in Appendix 2 to this Announcement and to the full terms and conditions to be set out in the Scheme Document, and will only become Effective if, amongst other things, the following events occur on or before Long Stop Date, or such later date as Bidco and Pinewood agree:

- the receipt by Bidco of FCA consent to the change of control of Pinewood Film Advisors Limited that will occur as a result of the Offer for the purposes of the controllers regime under Part XII of the Financial Services and Markets Act 2000 (as amended);
- a resolution to approve the Scheme is passed by a majority in number of the Pinewood Shareholders present and voting (and entitled to vote) at the Court Meeting (whether in person or by proxy), representing at least 75 per cent. in value of the Pinewood Shares voted by those Pinewood Shareholders;
- the special resolutions necessary to implement the Scheme are passed at the General Meeting of Pinewood (which will require the approval of Pinewood Shareholders representing at least 75 per cent. of the votes cast at the General Meeting) which is expected to be held immediately after the Court Meeting;

- following the Meetings, the Scheme is sanctioned by the Court (without modification, or with modification on terms agreed by Pinewood and Bidco); and
- an office copy of the Scheme Court Order being delivered to the Registrar of Companies and registered by the Registrar of Companies, whereupon the Scheme will become Effective.

Upon the Scheme becoming Effective, it shall be binding upon all Pinewood Shareholders irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

Further details of the Scheme, including an indicative timetable for its implementation, will be set out in the Scheme Document.

### **13. THE COURT MEETING AND THE GENERAL MEETING**

The Offer (including the Scheme) will be put to Pinewood Shareholders at the Court Meeting and at the General Meeting, which are expected to be held at the end of the third quarter of 2016, or in the early part of the fourth quarter of 2016.

The purpose of the Court Meeting is to seek the approval of Pinewood Shareholders for the Scheme and certain related matters.

The purpose of the General Meeting is to consider and, if thought fit, pass the other necessary resolutions to give effect to the Offer, being:

- a special resolution to approve amendments to the articles of association of the Company in connection with and to facilitate the Scheme; and
- a special resolution to re-register the Company as a private company conditional upon the Scheme becoming Effective.

The Pinewood AGM will still take place on 26 September 2016 to, inter alia, approve the Agreed Dividend. Pinewood Shareholders should refer to the Notice of General Meeting dated 5 August 2016 for further details on attending and voting at the Pinewood AGM.

### **14. EXPECTED TIMETABLE FOR POSTING OF THE SCHEME DOCUMENT**

The Scheme Document, containing further information about the Offer and notices convening the Court Meeting and the General Meeting, will be posted to Pinewood Shareholders in due course (and, in any event, within 28 days of this Announcement, unless otherwise agreed with the Panel) and the Scheme will become Effective in the fourth quarter of 2016, subject to the satisfaction of the Conditions and further terms set out in Appendix 2.

As the Pinewood Group includes an FCA-authorised subsidiary, Pinewood Film Advisors Limited, the Offer will be conditional upon FCA consent to any 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.

## **15. IRREVOCABLE UNDERTAKINGS**

### **Pinewood Directors**

Irrevocable undertakings to vote, or procure the vote, in favour of all of the Resolutions to be proposed at the Meetings have been received from Lord Grade, Ivan Dunleavy, Nicholas Smith, Chris Naisby and Andrew M. Smith in respect of their entire beneficial holdings of Pinewood Shares amounting, in aggregate, to 323,267 Pinewood Shares, which represents approximately 0.56 per cent. of the ordinary share capital of Pinewood in issue on 11 August 2016 (being the last Business Day prior to this Announcement).

Each of the above irrevocable undertakings will cease to be binding only if the Offer (or, if made, a Contractual Offer) lapses or is withdrawn at any time (but will continue to be binding if the Offer is changed from the Scheme to a Contractual Offer).

Further details of these irrevocable undertakings are set out in Appendix 3 to this Announcement.

### **Other Pinewood Shareholders**

Irrevocable undertakings have been received from each of Goodweather Investment Management Limited, Warren James Holdings Limited and Aviva plc to vote, or procure the vote, in favour of all of the Resolutions to be proposed at the Meetings in respect of their entire beneficial holdings of Pinewood Shares amounting, in aggregate, to 45,544,394 Pinewood Shares, which represents approximately 79.33 per cent. of the ordinary share capital of Pinewood in issue on 11 August 2016 (being the last Business Day prior to this Announcement). Further details of these irrevocable undertakings including the circumstances in which the above irrevocable undertakings will cease to be binding are set out in Appendix 3 to this Announcement.

## **16. RECOMMENDATION**

The Pinewood Directors, who have been so advised by Rothschild as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing its advice to the Pinewood Directors, Rothschild have taken into account the commercial assessments of the Pinewood Directors. Rothschild is providing independent financial advice to the Pinewood Directors for the purposes of Rule 3 of the Code. Peel Hunt in its role as corporate broker and nominated adviser to the Company has advised the Pinewood Directors on the merits of the Offer and the recommendation to Pinewood Shareholders.

Accordingly, the Pinewood Directors intend to recommend unanimously that Pinewood Shareholders vote in favour of the Scheme and the Resolutions as the Pinewood Directors have irrevocably

undertaken to do in respect of their own beneficial holdings of 323,267 Pinewood Shares representing, in aggregate, approximately 0.56 per cent. of the ordinary share capital of Pinewood in issue on 11 August 2016 (being the last Business Day prior to this Announcement) (or, if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of the Contractual Offer).

## **17. OFFER-RELATED ARRANGEMENTS AND DOCUMENTS AVAILABLE ON WEBSITE**

### **Confidentiality Agreement**

Pursuant to the Confidentiality Agreement, Bidco has undertaken to keep confidential certain information relating to Pinewood and not to disclose it to third parties (other than to permitted recipients) unless required by law or regulation.

### **Documents available on website**

The Scheme Document, which will contain further information about the Offer and notices convening the Court Meeting and the General Meeting, will be published in due course (and, in any event, within 28 days of this Announcement) and will be made available by Bidco on its website at [www.pictureholdcoltd.com](http://www.pictureholdcoltd.com) and by Pinewood on its website at [www.pinewoodgroup.com/investor-relations](http://www.pinewoodgroup.com/investor-relations).

A copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Bidco's website at [www.pictureholdcoltd.com](http://www.pictureholdcoltd.com) and Pinewood's website at [www.pinewoodgroup.com](http://www.pinewoodgroup.com) by no later than 12 noon (London time) on the Business Day following this Announcement. The contents of those websites are not incorporated and do not form part of this Announcement.

Copies of the following documents will also be made available on Bidco's website at [www.pictureholdcoltd.com](http://www.pictureholdcoltd.com) and/or, as the case may be, Pinewood's website at [www.pinewoodgroup.com/investor-relations](http://www.pinewoodgroup.com/investor-relations) until the end of the Offer:

- documents relating to the financing of the Offer referred to in paragraph 10 above;
- the written consents of each of PricewaterhouseCoopers, Rothschild and Peel Hunt;
- the irrevocable undertakings referred to in paragraph 15 above; and
- the Confidentiality Agreement referred to above.

## **18. AVAILABILITY OF HARD COPIES**

Pursuant to Rule 30.2 of the Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form. A person may

also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form.

For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested from either Bidco by contacting Davinia Smith at [davinia.smith@alterdomus.com](mailto:davinia.smith@alterdomus.com) or telephone number +44(0)2076454800; or Pinewood by contacting Andrew M. Smith at [andrew.smith@pinewoodgroup.com](mailto:andrew.smith@pinewoodgroup.com) or telephone number +44 (0) 1753 656 732.

## **19. GENERAL**

Bidco reserves the right, at its sole discretion and subject to the consent of the Panel, to seek to implement the Offer by way of a Contractual Offer, and to make appropriate amendments to the terms of the Offer arising from the change from the Scheme to a Contractual Offer.

The bases and sources of certain financial information contained in this Announcement are set out in Appendix 4 to this Announcement. A summary of the irrevocable undertakings is contained in Appendix 3 to this Announcement.

Certain terms used in this Announcement are defined in Appendix 1 to this Announcement.

### **Enquiries**

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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.

Peel Hunt which is authorised 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.

PricewaterhouseCoopers, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Bidco and for no one else in connection with the matters referred to in this Announcement and will not be responsible to any person other than Bidco for providing the protections afforded to clients of PricewaterhouseCoopers, nor for providing advice in relation to the matters referred to herein. Neither PricewaterhouseCoopers nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of PricewaterhouseCoopers in connection with the matters referred to in this Announcement, or otherwise.

Rothschild and Peel Hunt have both given and not withdrawn their consent to the publication of this Announcement with the inclusion herein of the references to their names in the form and context in which they appear

Jones Day are retained as legal advisers to Bidco.

Travers Smith LLP are retained as legal advisers to Pinewood.

## IMPORTANT NOTES

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer or invitation to sell or purchase any securities, or the solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise nor shall there be any sale, issuance or transfer of securities of Pinewood in any jurisdiction in contravention of applicable law. The Offer will be effected solely through the Scheme Document (or, if the Offer is implemented by way of a Contractual Offer, the offer document) which will contain the full terms and conditions of the Offer. Any vote, decision in respect of, or other response to, the Scheme (or the Contractual Offer, if applicable) should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the offer document). Each Pinewood Shareholder is urged to consult its independent professional advisers immediately regarding the tax consequences of the Offer applicable to them.

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 availability of the Offer to persons who are not resident in the United Kingdom may be restricted by the laws and/or regulations of the relevant jurisdictions in which they are located. The Offer will not be made available, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. 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 requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

This Announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of England.

The Offer 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.

Copies of this Announcement and formal documentation relating to the Offer will not be, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Offer. If the Offer is implemented by way of a Contractual Offer (unless otherwise permitted by applicable law or regulation), the Contractual Offer may not be made, directly or indirectly, in or into or from any Restricted Jurisdiction.

In accordance with normal UK practice, Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Pinewood Shares, other than pursuant to the Offer, until the date on which the Scheme (or Contractual Offer, if applicable) becomes Effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

#### **Publication on Website**

Pursuant to Rule 26.1 of the Code, a copy of this Announcement and other documents in connection with the Scheme will, subject to certain restrictions, be available for inspection on Bidco's website at [www.pictureholdcoltd.com](http://www.pictureholdcoltd.com) and Pinewood's website at [www.pinewoodgroup.com/investor-relations](http://www.pinewoodgroup.com/investor-relations) no later than 12 noon (London time) on the Business Day following this Announcement. The contents of the websites referred to in this Announcement are not incorporated into, and do not form part of, this Announcement.

#### **Electronic communications**

Please be aware that addresses, electronic addresses and certain information provided by Pinewood Shareholders, persons with information rights and other relevant persons for the receipt of communications from Bidco may be provided to Bidco during the Offer Period as requested under Section 4 of Appendix 4 of the Code to comply with Rule 2.12(c) of the Code.

#### **Requesting Hard Copy Documents**

Pursuant to Rule 30.2 of the Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form. A person may

also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested from either Bidco by contacting Davinia Smith at [davinia.smith@alterdomus.com](mailto:davinia.smith@alterdomus.com) or telephone number +44(0)2076454800; or Pinewood by contacting Andrew M. Smith at [andrew.smith@pinewoodgroup.com](mailto:andrew.smith@pinewoodgroup.com) or telephone number +44 (0) 1753 656 732.

#### **Cautionary note regarding forward-looking statements**

This Announcement (including information incorporated by reference to this Announcement), oral statements made regarding the Offer and other information published by Bidco and Pinewood contain certain statements which are, or may be deemed to be, "forward-looking statements" with respect to, for example, the financial condition, results of operations and business of Pinewood and certain plans and objectives of Bidco with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often, but not always, use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", "budget", "forecast", "scheduled", or other words of similar meaning. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. These statements are based on assumptions and assessments made by Pinewood or Bidco in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this Announcement. Neither Pinewood nor Bidco assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates and changes in tax rates.

## **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

## **No Profit Forecast**

No statement in this Announcement is intended as a profit forecast or a profit estimate and no statement in this Announcement should be interpreted to mean that prospective earnings per Pinewood Share for the current or future financial years would necessarily match or exceed the historical published earnings per Pinewood Share.

## **Dealing Disclosure Requirements**

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of 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 10<sup>th</sup> Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the 10<sup>th</sup> 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 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 1 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, 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 an 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](http://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. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

## APPENDIX 1 DEFINITIONS

In this Announcement the following words and expressions have the following meanings unless the context requires otherwise:

"Aermont"	Aermont Capital LLP (formerly, PW Real Assets LLP)
"Agency Fee Letter"	the letter from the Agent to Bidco dated on or before the date of this Announcement
"Agent"	the agent of the Lenders under the Facility Agreement
"Agreed Dividend"	the proposed final dividend of 3.2p per Pinewood Share in respect of the year ended 31 March 2016 announced in the full year results for the year ended 31 March 2016, dated 11 July 2016 and payable to Pinewood Shareholders on the register at the close of business on the Record Date
"AIM"	the AIM Market of the London Stock Exchange
"Announcement"	this announcement made in accordance with Rule 2.7 of the Code
"Announcement Date"	the date of this Announcement
"Arrangement Fee Letter"	the letter from the Lenders to Bidco dated on or before the date of this Announcement
"Authorisations"	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals
"Bidco"	Picture Holdco Limited
"Board"	board of directors of the relevant company
"Business Day"	a day, other than a Saturday, Sunday or public holiday in the UK, on which banks are open for non-automated business in the City of London
"City Code" or "Code"	City Code on Takeover and Mergers
"CMA Phase 2 Reference"	a reference of the Offer to the chair of the Competition and Markets Authority for the

	constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
"Companies Act"	the Companies Act 2006, as amended
"Competition and Markets Authority"	a UK statutory body established under the Enterprise and Regulatory Reform Act 2013
"Conditions"	the terms and conditions to the implementation of the Offer, as set out in Appendix 2 to this Announcement and to be set out in the Scheme Document
"Confidentiality Agreement"	the confidentiality and standstill agreement entered into between Pinewood and Aermont Capital LLP, in its capacity as investment adviser to Bidco, on 22 March 2016
"Contractual Offer"	means a takeover offer within the meaning of Part 28 of the Companies Act
"Coupon Letter"	the letter from the Agent to Bidco dated on or before the date of this Announcement
"Court"	the High Court of Justice in England and Wales
"Court Meeting"	the meeting of Pinewood Shareholders to be convened by order of the Court under section 896 of the Companies Act for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment), and any adjournment thereof
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear
"Dealing Disclosure"	has the same meaning as in Rule 8 of the Code
"Disclosed"	the information fairly disclosed by, or on behalf of Pinewood, (i) in the annual report and accounts of the Pinewood for the financial year ended 31

March 2016 as announced on 11 July 2016; (ii) in any other announcement to a Regulatory Information Service by, or on behalf of Pinewood prior to the publication of this Announcement; (iii) in any of the documents, papers or written information made available in the data room maintained by Merrill Corporation entitled Project Picture by 5.00pm on 11 August 2016 (being the day immediately prior to the date of this Announcement)

"Effective"

in the context of the Offer (i) if the Offer is implemented by way of a Scheme, the Scheme having become effective in accordance with its terms, upon the delivery of the Court Order to the Registrar of Companies; or (ii) if the Offer is implemented by way of a Contractual Offer, the Contractual Offer having been declared or become unconditional in all respects in accordance with the requirements of the Code

"Effective Date"

the date on which the Scheme becomes Effective in accordance with its terms

"Enlarged Group"

Bidco as enlarged by the acquisition of the Company, subject to the Scheme becoming Effective

"EU Merger Regulation"

Council Regulation 139/2004/EC of 20 January 2004 on the control of concentrations between undertakings

"Euroclear"

Euroclear UK and Ireland Limited

"Facility Agreement"

the term loan facility entered into between Bidco and the Lenders dated on or before the date of this Announcement

"FCA"

the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000

"Form(s) of Proxy"

the forms of proxy for use by Shareholders in

	connection with the Court Meeting and the General Meeting
"General Meeting"	the meeting of Pinewood Shareholders to be convened for the purposes of considering and, if thought fit, approving the Scheme and other resolutions ancillary to the Scheme, and any adjournment thereof
"Lenders"	European Real Estate Debt II S.à.r.l. and DRC European Real Estate Debt III No. 2 S.à.r.l.
"London Stock Exchange"	London Stock Exchange plc
"Long Stop Date"	12 December 2016, or such later date (if any) as Bidco and Pinewood may agree and (if required) the Panel and the Court may allow
"Meetings"	the General Meeting and the Court Meeting
"Offer"	the proposed offer being made by Bidco to acquire the entire issued share capital of Pinewood to be effected by means of the Scheme (or, if Bidco so elects and with the consent of the Panel, a Contractual Offer) and, where the context admits, any subsequent revision, variation, extension or renewal thereof
"Offer Period"	the offer period (as defined by the Code) relating to Pinewood, which commenced on 10 February 2016
"Offer Price"	the consideration payable under the terms of the Offer in respect of a Pinewood Share
"Opening Position Disclosure"	has the same meaning as in Rule 8 of the Code
"Overseas Shareholders"	Pinewood Shareholders (or nominees, or custodians or trustees of Pinewood Shareholders) who are resident in, or nationals or citizens of jurisdictions outside the UK or who are citizens or residents of countries other than the UK
"Panel"	the Panel on Takeovers and Mergers

"Peel Hunt"	Peel Hunt LLP
"Pinewood" or the "Company"	Pinewood Group plc
"Pinewood AGM"	the annual general meeting of Pinewood to be held on 26 September 2016
"Pinewood Directors"	the directors of Pinewood
"Pinewood Group"	Pinewood and its subsidiaries and its subsidiary undertakings
"Pinewood Group Company"	Pinewood and any member of its Group (where "Group" has the meaning ascribed to it in section 421 of the Financial Services and Markets Act 2000)
"Pinewood Shareholders"	the holders of Pinewood Shares
"Pinewood Share(s)"	the existing unconditionally allotted or issued and fully paid ordinary shares of 10 pence each in the capital of Pinewood and any further such ordinary shares which are issued before the Scheme becomes Effective
"Prepayment Fee Letter"	the letter from the Agent to Bidco dated on or before the date of this Announcement
"PricewaterhouseCoopers"	PricewaterhouseCoopers LLP
"PW Fund III"	PW Real Estate Fund III LP, a Jersey limited partnership, whose general partner is PW Fund III GP and whose investment adviser is Aermont
"PW Fund III GP"	PW Real Estate Fund III GP Limited, a Jersey limited company
"PW Funds"	the series of funds advised by Aermont of which PW Fund III is one
"Record Date"	close of business on 2 September 2016
"Registrar of Companies"	registrar of companies in England and Wales
"Regulatory Information Service"	any of the services set out in Appendix III to the UK Listing Authority's Listing Rules

"Resolutions"	each of the resolutions (where applicable) as described in paragraph 12 of the Announcement
"Restricted Jurisdiction"	any jurisdiction where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which Bidco or Pinewood regards as unduly onerous
"Rothschild"	N M Rothschild & Sons Limited
"Scheme"	the proposed scheme of arrangement under Part 26 of the Companies Act between Pinewood and Pinewood Shareholders in connection with the Offer, with or subject to any modification, addition or condition approved (if necessary) or imposed by the Court and agreed by Pinewood and Bidco
"Scheme Court Hearing"	the hearing at which the Scheme Court Order is made
"Scheme Court Order"	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
"Scheme Document"	the document to be sent to Pinewood Shareholders, containing, amongst other things, the Scheme and the notices convening the Court Meeting and the General Meeting
"Strategic Review"	the strategic review of the Company's capital base and structure as announced on 10 February 2016
"Third Party"	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or bodies responsible for the review and/or approval of

mergers, acquisitions, concentrations, joint ventures or any other similar matter or any other body or person whatsoever in any jurisdiction

"United Kingdom" or "UK"

the United Kingdom of Great Britain and Northern Ireland

"Voting Record Time"

the date and time specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined

"Wider Bidco Group"

Bidco and its associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and all such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent or more of the total voting rights, which in the case of a person or entity with equity share capital, means 20 per cent, or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking

"Wider Pinewood Group"

Pinewood and its associated undertakings and any other body corporate, partnership, joint venture or person in which Pinewood and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the total voting rights, which in the case of a person or entity with equity share capital, means 20 per cent., or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking

For the purposes of this Announcement, "subsidiary", "subsidiary undertaking", "associated undertaking" and "undertaking" have the meanings given to such terms in the Companies Act.

All references to "**pounds**", "**pounds Sterling**", "**Sterling**", "**GBP**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom.

All the times referred to in this Announcement are London times unless otherwise stated.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of legislation shall include any amendment, modification, re-enactment or extension thereof.

**APPENDIX 2**  
**CONDITIONS AND CERTAIN FURTHER TERMS OF THE OFFER**

**Part A: Conditions of the Scheme**

1. The Offer is conditional upon the Scheme becoming unconditional and Effective, subject to the Code, by not later than the Long Stop Date.
2. The Scheme will be subject to the following conditions:
  - 2.1 its approval by a majority in number of the Pinewood Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof) and who represent 75 per cent. or more in value of the Pinewood Shares voted by those Pinewood Shareholders who are on the register of members of Pinewood at the Voting Record Time;
  - 2.2 such Court Meeting being held on or before the 22<sup>nd</sup> day after the expected date of the Court Meeting as set out in the Scheme Document (or such later date as may be agreed by Bidco and Pinewood);
  - 2.3 the resolution required to approve and implement the Scheme being duly passed by those Pinewood Shareholders who are present and voting, whether in person or by proxy representing 75 per cent. or more of votes cast at the General Meeting who are on the register of members of Pinewood at the Voting Record Time;
  - 2.4 such General Meeting being held on or before the 22<sup>nd</sup> day after the expected date of the General Meeting as set out in the Scheme Document (or such later date as may be agreed by Bidco and Pinewood);
  - 2.5 the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Pinewood and Bidco) and the delivery of a copy of the Court Order to the Registrar of Companies;
  - 2.6 the Scheme Court Hearing being held on or before the later of:
    - (a) the 22<sup>nd</sup> day after the expected date of the Scheme Court Hearing as set out in the Scheme Document; and
    - (b) the 22<sup>nd</sup> day after the date that the FCA consent is received in satisfaction of condition 2.7;(or such later date as may be agreed by Bidco and Pinewood); and

- 2.7** The FCA having notified in writing, and not withdrawn, any required consent in accordance with Part XII of the FSMA to the acquisition of control of Pinewood Film Advisers Limited by Bidco and any controllers of Bidco in the manner contemplated by the Scheme, such consent being either (i) unconditional in all respects (save as to the period within which the change of control must occur); or (ii) subject to conditions (other than as to timing) reasonably satisfactory to Bidco and, insofar as such conditions relate to a Pinewood Group Company or otherwise affect a Pinewood Group Company, reasonably satisfactory to Pinewood and such conditions having been, to the extent relevant, satisfied; or the FCA being treated as having given such approval and notice thereof in accordance with Part XII of the FSMA.
- 3.** In addition, subject as stated in Part B below and to the requirements of the Code, the Offer will be conditional upon the following conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless such conditions (as amended, if appropriate) have been satisfied or, where relevant, waived:

#### **Notifications, waiting periods and Authorisations**

- 3.1** all mandatory notifications, filings or applications having been made in connection with the Offer and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Offer and all Authorisations necessary in any jurisdiction for or in respect of the Offer and, except pursuant to Chapter 3 of Part 28 of the Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Pinewood or any other member of the Wider Pinewood Group by any member of the Wider Bidco Group having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any member of the Wider Pinewood Group or the Wider Bidco Group has entered into contractual arrangements and all such Authorisations necessary to carry on the business of any member of the Wider Pinewood Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Offer becomes Effective or otherwise wholly unconditional and there being no notice of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations and all such necessary statutory or regulatory obligations in any jurisdiction having been complied with;

#### **General regulatory**

- 3.2** no antitrust regulator or Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or

otherwise having done anything, or having enacted or made or proposed to enact or make any statute, regulation, decision, order or change to published practice (and, in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:

- (a) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider Pinewood Group of all or any material part of its businesses, assets or property or impose any material limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
- (b) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Bidco Group or the Wider Pinewood Group to acquire or offer to acquire a material number of any shares, other securities (or the equivalent) or interest in any member of the Wider Pinewood Group or any asset owned by any third party (other than in the implementation of the Offer);
- (c) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in or loans to Bidco or on the ability of any member of the Wider Pinewood Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Pinewood Group;
- (d) otherwise materially adversely affect any or all of the business, assets, prospects or profits of any member of the Wider Pinewood Group;
- (e) result in any member of the Wider Pinewood Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer (as the case may be);
- (f) make the Offer its implementation or the acquisition of any shares or other securities in, or control or management of, Pinewood by any member of the Wider Bidco Group void, unenforceable and/or illegal

under the laws of any relevant jurisdiction, or otherwise directly or indirectly materially prevent or prohibit, restrict, restrain, or delay or otherwise materially interfere with the implementation of, or impose additional materially adverse conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Offer or the acquisition of any shares or other securities in, or control or management of, Pinewood by any member of the Wider Bidco Group;

- (g) require, prevent or materially delay a divestiture by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider Pinewood Group;
- (h) impose any limitation on the ability of any member of the Wider Bidco Group or any member of the Wider Pinewood Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider Pinewood Group in a manner which is materially adverse to the Wider Pinewood Group taken as a whole or the Wider Bidco Group taken as a whole or in the context of the Offer (as the case may be),

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any relevant jurisdiction in respect of the Offer or the acquisition of any Pinewood Shares or of management or voting control of Pinewood or any member of the Wider Pinewood Group or otherwise intervene having expired, lapsed or been terminated;

**Certain matters arising as a result of any arrangement, agreement, etc.**

**3.3** except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, permit or other instrument to which any member of the Wider Pinewood Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Offer or the acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities in Pinewood or because of a change in the control or management of any member of the Wider Pinewood Group or otherwise, could or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer:

- (a) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider

Pinewood Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

- (b) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Pinewood Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable or being enforced;
- (c) any assets of any such member being disposed of or charged, or any right arising under which any asset could be required to be disposed of or charged, other than in the ordinary course of business;
- (d) any obligation to obtain or acquire any licence, permission, approval, clearance, permit, notice, consent, authorisation, waiver, grant, concession, agreement, certificate, exemption order or registration from any Third Party;
- (e) any such arrangement, agreement, lease, licence, permit or other instrument being terminated or becoming capable of being terminated or adversely modified or the rights, liabilities, obligations or interests of any member of the Wider Pinewood Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
- (f) any liability of any member of the Wider Pinewood Group to make any severance, termination, bonus or other payment to any of its directors or other officers;
- (g) the rights, liabilities, obligations, interests or business of any member of the Wider Pinewood Group or any member of the Wider Bidco Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Pinewood Group or any member of the Wider Bidco Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;

- (h) any member of the Wider Pinewood Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (i) the value of, or the financial or trading position of, any member of the Wider Pinewood Group being prejudiced or adversely affected; or
- (j) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Pinewood Group or for which any such member may be responsible other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Pinewood Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might result in any of the events or circumstances as are referred to in Conditions 3.3(a) to (j);

#### **Certain events occurring since 31 March 2016**

**3.4** except as Disclosed, no member of the Wider Pinewood Group having since 31 March 2016:

- (a) issued or agreed to issue, or authorised or announced its intention to authorise or propose the issue, of, additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell of Pinewood Shares (except, where relevant, as between Pinewood and wholly owned subsidiaries of Pinewood or between the wholly owned subsidiaries of Pinewood) or redeemed, purchased or reduced any part of its share capital;
- (b) recommended, declared, paid or made, or proposed to declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions, whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Pinewood to Pinewood or any of its wholly owned subsidiaries and excluding, for the avoidance of doubt, the Agreed Dividend;

- (c) save as between Pinewood and its wholly-owned subsidiaries, effected, authorised, proposed or announced its intention to propose any change in its share or loan capital;
- (d) save as between Pinewood and its wholly-owned subsidiaries and other than pursuant to the Offer, effected, authorised, proposed or announced its intention to propose any merger, demerger, reconstruction, arrangement, amalgamation, commitment or scheme or any material acquisition or disposal or transfer of assets or shares (other than in the ordinary course of business) or any right, title or interest in any assets or shares or other transaction or arrangement in respect of itself or another member of the Wider Pinewood Group;
- (e) acquired or disposed of or transferred (other than in the ordinary course of business) or mortgaged, charged or encumbered any assets or shares or any right, title or interest in any assets or shares (other than in the ordinary course of business) or authorised the same or entered into, varied or terminated or authorised, proposed or announced its intention to enter into, vary, terminate or authorise any agreement, arrangement, contract, transaction or commitment (other than in the ordinary course of business and whether in respect of capital expenditure or otherwise) which is of a loss-making, long-term or unusual or onerous nature or magnitude, or which involves or could involve an obligation of such a nature or magnitude, in each case which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer (whether in respect of capital expenditure or otherwise);
- (f) entered into any agreement, contract, transaction, arrangement or commitment or terminated or varied the terms of any agreement or arrangement (other than in the ordinary course of business) which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (g) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Pinewood Group or which is or could involve obligations which would or might reasonably be expected to be so restrictive;
- (h) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing agreement, partnership or merger of business or corporate entities which is material in the context of the

Wider Pinewood Group taken as a whole or material in the context of the Offer;

- (i) exercised any pre-emption rights, or any similar rights that allow any member of the Wider Pinewood Group to subscribe for, or acquire, shares in any other person which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (j) issued, authorised or proposed the issue of or made any change in or to any debentures, or (other than in the ordinary course of business) incurred or increased any indebtedness or liability, actual or contingent, which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (k) been unable or admitted that it is unable to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business or proposed or entered into any composition or voluntary arrangement with its creditors (or any class of them) or the filing at court of documentation in order to obtain a moratorium prior to a voluntary arrangement or, by reason of actual or anticipated financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (l) made, or announced any proposal to make, any material change or addition to any retirement, death or disability benefit or any other employment-related benefit (including, but not limited to, bonuses, retention arrangements or share incentive schemes or other benefit relating to the employment or termination of employment of any employee of the Wider Pinewood Group) of or in respect of any of its directors, employees, former directors or former employees;
- (m) save as between Pinewood and its wholly-owned subsidiaries, granted any lease or third party rights in respect of any of the leasehold or freehold property owned or occupied by it or transferred or otherwise disposed of any such property which in each case would be material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;

- (n) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any service agreement, commitment or arrangement with any director of the Pinewood Group;
- (o) taken any action (other than any action taken with the consent of Bidco in connection with the Offer) which results in the creation or acceleration of any material tax liability of any member of the Wider Pinewood Group or a material adverse effect on the tax position of any such member which in each case would be material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (p) taken or proposed any corporate action or had any steps taken or had any legal proceedings started or threatened against it for its winding-up (voluntary or otherwise), dissolution, striking-off or reorganisation or for the appointment of a receiver, administrator (including the filing of any administration application, notice of intention to appoint an administrator or notice of appointment of an administrator), administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction;
- (q) made any amendment to its memorandum or articles of association;
- (r) waived or compromised any claim or authorised any such waiver or compromise, save in the ordinary course of business, which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (s) taken, entered into or had started or threatened against it in a jurisdiction outside England and Wales any form of insolvency proceeding or event similar or analogous to any of the events referred to in Conditions 3.4(k) and (p) above; or
- (t) agreed to enter into or entered into an agreement or arrangement or commitment or passed any resolution or announced any intention or made any offer (which remains open to acceptance) with respect to any of the transactions, matters or events referred to in Conditions 3.4(a) to (t);

**No adverse change, litigation, regulatory enquiry or similar**

**3.5** except as Disclosed, since 31 March 2016 there having been:

- (a) no adverse change and no circumstance having arisen which would or might reasonably be expected to result in any adverse change in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Pinewood Group which is material in the context of the Wider Pinewood Group taken as a whole or is material in the context of the Offer;
- (b) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of any member of the Wider Pinewood Group or to which any member of the Wider Pinewood Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Pinewood Group, in each case which is or might reasonably be expected to be material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (c) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Pinewood Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Pinewood Group, in each case which might reasonably be expected to have a material adverse effect on the Wider Pinewood Group or the Wider Bidco Group taken as a whole or is material in the context of the Offer;
- (d) no contingent or other liability having arisen or increased other than in the ordinary course of business which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Pinewood Group to an extent which is material in the context of the Wider Pinewood Group taken as a whole or in the context of the Offer;
- (e) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Pinewood Group which is necessary for the proper carrying on of its business and the

withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider Pinewood Group taken as a whole or is material in the context of the Offer;

**No discovery of certain matters regarding information, liabilities and environmental issues**

**3.6** except as Disclosed, Bidco not having discovered:

- (a) that any financial, business or other information concerning the Wider Pinewood Group publicly announced by Pinewood or a member of the Wider Pinewood Group prior to the date of this Announcement or disclosed at any time to any member of the Wider Bidco Group by or on behalf of any member of the Wider Pinewood Group prior to the date of this Announcement is misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, in any such case to a material extent;
- (b) any member of the Pinewood Group is subject to any liability, contingent or otherwise, which is not disclosed in the annual reports and accounts of Pinewood for the financial year ended 31 March 2016 which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (c) that any member of the Wider Pinewood Group or any partnership, company or other entity in which any member of the Wider Pinewood Group has a significant economic interest and which is not a subsidiary undertaking of Pinewood is subject to any liability, contingent or otherwise which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (d) that any member of the Wider Pinewood Group or any company who was a member of the Wider Pinewood Group in the 6 years before the Announcement Date but which is no longer a member, has not complied with all applicable legislation, regulations or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any liability, including any penalty for non-compliance (whether actual or contingent) on the part of any member of

the Wider Pinewood Group which in each case would be material in the context of the Wider Pinewood Group or material in the context of the Offer;

- (e) that there has been a disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any liability on the part of any member of the Wider Pinewood Group, in each case to an extent which is material in the context of the Wider Pinewood Group or material in the context of the Offer;
- (f) that there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Pinewood Group, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto, which in each case would be material in the context of the Wider Pinewood Group or material in the context of the Offer; or
- (g) that circumstances exist (whether as a result of making the Offer or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider Pinewood Group would be likely to be required to institute) an environmental audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Pinewood Group (or on its behalf) or by any person for which a member of the Wider Pinewood Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have

had an interest, which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;

**Anti-corruption and criminal property**

**3.7** except as Disclosed, Bidco not having discovered:

- (a) any member of the Wider Pinewood Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation; or
- (b) any present member of the Wider Pinewood Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governments or supranational body or authority in any jurisdiction; or
- (c) any asset of any member of the Wider Pinewood Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

**Part B: Certain further terms of the Offer**

**1. Subject to the requirements of the Panel, Bidco reserves the right to waive:**

- (a) any of the Conditions set out in the above condition 2 for the timing of the Court Meeting, the General Meeting and the Scheme Court Hearing. If any such deadline is not met, Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant condition or agreed with Pinewood to extend the deadline in relation to the relevant condition; and
- (b) in whole or in part, all or any of the above Conditions 3.1 to 3.7 inclusive.

**2.** If Bidco is required by the Panel to make an offer for Pinewood Shares under the provisions of Rule 9 of the Code, Bidco may make such alterations to any of the above Conditions and terms of the Offer as are necessary to comply with the provisions of that Rule.

3. The Offer will lapse (unless otherwise agreed with the Panel) if:
- (a) insofar as the Offer or any matter arising from or relating to the Offer constitutes a concentration with a Community dimension within the scope of the EU Merger Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the EU Merger Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the EU Merger Regulation and there is then a CMA Phase 2 Reference in respect of the Offer;
  - (b) in so far as the Offer or any matter arising from the Offer does not constitute a concentration with a Community dimension within the scope of the EU Merger Regulation, the European Commission decides to examine the Offer or any matter arising from it pursuant to Article 22(3) of the EU Merger Regulation and the European Commission initiates proceedings under Article 6(1)(c) of the EU Merger Regulation in respect of the Offer; or
  - (c) the Competition and Markets Authority launches a merger inquiry and makes a CMA Phase 2 Reference in respect of the Offer,

in each case, before the date of the Court Meeting or the General Meeting.

4. Under Rule 13.5 of the Code, Bidco may not invoke a condition of the Scheme so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to Bidco in the context of the Offer. Whether or not such condition can be invoked would be determined by the Panel. The conditions contained in Conditions 1 and 2 are not subject to this provision of the Code.
5. Bidco shall not be under any obligation to waive (if capable of waiver), to determine, to be or remain satisfied or to treat as fulfilled any of the Conditions in 2 or 3 (to the extent capable of waiver), by a date earlier than the latest date for the fulfilment of that condition notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.
6. The Pinewood Shares to be acquired under the Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement, save for the Agreed Dividend.

- 7.** If, prior to the Scheme Court Hearing, any dividend and/or distribution and/or return of capital is authorised, declared, made or paid in respect of Pinewood Shares, other than the Agreed Dividend, or in excess of the Agreed Dividend, Bidco reserves the right (without prejudice to any right of Bidco, with the consent of the Panel, to invoke Condition 3.4(b) above) to reduce the consideration payable under the Offer in respect of a Pinewood Share by the aggregate amount of such dividend and/or distribution and/or return of capital, or by the excess above the Agreed Dividend (excluding associated tax credit) as long as Pinewood Shareholders will be entitled to receive and retain that dividend or other distribution.
- 8.** If any such dividend and/or distribution and/or return of capital, or excess above the Agreed Dividend, is authorised, declared, made or paid before the Scheme Court Hearing, if Bidco exercises its rights described in paragraphs 7 to 9, any reference in this Announcement to the consideration payable under the Scheme or the Offer shall be deemed to be a reference to the consideration as so reduced.
- 9.** To the extent that such a dividend and/or distribution and/or return of capital has been authorised or declared but not paid or made prior to the Scheme Court Hearing and such dividend and/or distribution and/or return of capital is cancelled, then the consideration payable under the Offer shall not be subject to change in accordance with paragraphs 7 to 10.
- 10.** Any exercise by Bidco of its rights referred to in paragraphs 7 to 9 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.
- 11.** If the Scheme becomes Effective before the Pinewood AGM, the consideration payable under the Scheme shall be increased by the amount of the Agreed Dividend.
- 12.** If Bidco switches the Offer to a Contractual Offer which becomes Effective:

  - (a) before the Record Date, the consideration payable under the Offer shall be increased by an amount equal to the Agreed Dividend in lieu of the Agreed Dividend;
  - (b) after the Record Date but before the Pinewood AGM, Bidco shall procure that the Company pays the Agreed Dividend or an amount equal to the Agreed Dividend (in lieu of the Agreed Dividend) to Pinewood Shareholders who are on the register of members on the Record Date.
- 13.** Bidco reserves the right to elect (with the consent of the Panel) to implement the Offer by way of a Contractual Offer, in its absolute discretion. In such event, the Offer will be implemented on substantially the same terms as those which would apply to the Scheme subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per

cent. (or such lesser percentage, being more than 50 per cent., as Bidco may decide) of the Pinewood Shares to which such offer relates.

- 14.** The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
- 15.** The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
- 16.** The Offer is governed by the law of England and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix 2 and to be set out in the Scheme Document. The Offer will be subject to the applicable requirements of the City Code, the Panel, the London Stock Exchange and the FCA.
- 17.** Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

**APPENDIX 3**  
**IRREVOCABLE UNDERTAKINGS**

The following Pinewood Shareholders have, on the basis set out below, given irrevocable undertakings to Bidco to vote in favour of or, as the case may be, accept an offer made by Bidco provided that such offer does not represent a diminution in value of the Offer Price plus the Agreed Dividend.

<b>Name of Shareholder</b>	<b>Number of Pinewood Shares in respect of which undertaking is given</b>	<b>Percentage of existing issued share capital of Pinewood</b>
Goodweather Investment Mgt Limited	22,443,396	39.09%
Warren James Holdings Limited	14,983,990	26.10%
Aviva plc	8,117,008	14.14%
<b>Total</b>	<b>37,427,386</b>	<b>79.33%</b>

The following Pinewood Directors have also, on the basis set out below given irrevocable undertakings to Bidco to vote in favour of, or as the case may be, accept an offer made by Bidco's sole shareholder, Venus Grafton S.à r.l, provided that such offer does not represent a diminution in value of the Offer Price plus the Agreed Dividend.

<b>Name of Director or connected person</b>	<b>Number of Pinewood Shares in respect of which undertaking is given</b>	<b>Percentage of existing issued share capital of Pinewood</b>
Lord Grade of Yarmouth	17,500	0.03%
Ivan Dunleavy	177,884	0.31%
Nicholas Smith	89,131	0.16%
Andrew M. Smith	19,376	0.03%
Chris Naisby	19,376	0.03%
<b>Total</b>	<b>323,267</b>	<b>0.56%</b>

On 11 August 2016, each of the Pinewood Directors listed above agreed by deed poll that their irrevocable undertaking will apply to the Offer by Bidco.

- (a) The irrevocable undertakings include undertakings:
- (i) to vote, or procure the vote, in favour (or to submit, or procure the submission of, Forms of Proxy voting in favour) of:
    - the Scheme at the Court Meeting; and

- the resolutions to be proposed at the General Meeting necessary to implement the Scheme; and
  - (ii) if Bidco exercises its right to structure the Offer a Contractual Offer, to accept, or procure the acceptance of the Contractual Offer.
- (b) The irrevocable undertakings will lapse if:
- (i) the Scheme Document in respect of the Scheme or offer document in respect of the Contractual Offer has not been posted within the period prescribed by the Code or such later date as may be agreed by the Panel; or
  - (ii) where this Announcement indicates that the Offer is to be made by way of a Scheme, the Scheme lapses or is withdrawn or has not become Effective by 5.00pm London time on the Long Stop Date and at or before the time of such lapse or withdrawal or within 1 Business Day thereafter, Bidco has not publicly confirmed that it intends to implement a Contractual Offer; or
  - (iii) where this Announcement indicates that the Offer is to be made by way of a Contractual Offer, the Contractual Offer lapses or is withdrawn without having become unconditional in all respects and at or before the time of such lapse or withdrawal or within 1 Business Day thereafter, Bidco has not publicly confirmed that it intends to implement a Scheme; or
  - (iv) the Offer has not been completed, either by the Scheme becoming Effective, or by the Contractual Offer having become or declared unconditional in all respects, by 5.00pm London time on the date which is 180 days from the Announcement Date; or
  - (v) after the release of this Announcement, the Panel consents to Bidco not proceeding with the Offer and Bidco subsequently withdraws the offer,

and in the case of the irrevocable undertaking with Aviva plc only, it shall lapse if a competing offer in cash or with a full cash alternative is announced in accordance with Rule 2.7 of the Code and the cash element of that competing offer represents a value per Pinewood Share at the time of such announcement of no less than 619.5 pence per Pinewood Share.

- (c) In the irrevocable undertakings, Bidco has:
- (vi) undertaken to the givers of the irrevocable undertakings to use its reasonable endeavours acting in good faith and in compliance with the Code to progress the Offer as expeditiously as reasonably possible with a view to releasing a firm

intention announcement in respect of the Offer as soon as it is reasonably practicable for it to do so in compliance with the requirements of the Code;

- (vii) warranted to the givers of the irrevocable undertakings that, in relation to the Offer, it is acting as principal and not as agent for any other party and that there is no arrangement in place, and it has had no discussions with any party in relation to any possible arrangement, whereby any of the Pinewood Shares acquired pursuant to any offer by Bidco for Pinewood will or may be transferred to any other person or whereby any part of the business or assets of Pinewood or of any of its subsidiaries will or may be transferred to any other person; and
  - (viii) undertaken to the givers of the irrevocable undertakings that no such arrangement as is referred to in paragraph (ii) above will be entered into, and no such discussions as are referred to in paragraph (ii) above will be held, at any time prior to the release of the Announcement.
- (d) Goodweather Investment Management Limited has agreed in its irrevocable undertaking to procure the resignation (at no cost to Pinewood) of any director of Pinewood appointed by it pursuant to the terms of the relationship agreement dated 30 March 2015 and made between (1) Pinewood, (2) NPLUS1 Singer Advisory LLP, (3) Peel Holdings (IOM) Limited and (4) Peel Holdings Land and Property Group Limited.
- (e) Warren James Holdings Limited has agreed in its irrevocable undertaking to procure the resignation (at no cost to Pinewood) of any director of Pinewood appointed by it pursuant to the terms of the Relationship Agreement dated 30 March 2015 and made between (1) Pinewood, (2) NPLUS1 Singer Advisory LLP, and (3) Warren James Holdings Limited.

**APPENDIX 4**  
**BASES AND SOURCES OF INFORMATION**

1. Unless otherwise stated, financial information relating to the Company has been extracted or derived (without any adjustment) from Pinewood's annual report and accounts for the years ended 31 March 2015 and 31 March 2016.
2. The value of the Offer is calculated by reference to the price of 560 pence per Pinewood Share plus the Agreed Dividend and on the basis of the current undiluted number of Pinewood Shares in issue referred to in paragraph 4 below.
3. References to percentages of Pinewood Shares (before completion of the Offer) are based upon the current undiluted number of Pinewood Shares in issue referred to in paragraph 4 below.
4. 57,409,926 fully-diluted Pinewood Shares on the basis of 57,409,926 Pinewood Shares in issue on 11 August 2016, being the last dealing day prior to the date of this Announcement.
5. Pinewood has no share options, warrants or other convertible securities outstanding.
6. Average closing prices are derived from closing middle market quotations derived from the Daily AIM List.
7. Unless otherwise stated, all closing prices for Pinewood Shares are closing middle market quotations derived from the Daily AIM List.