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27 September 2016

Recommended cash offer for Pinewood Group plc by Picture Holdco Limited

Court sanction of Scheme of Arrangement

The Board of Pinewood Group plc ("**Pinewood**") is pleased to announce that the High Court of Justice in England and Wales has today sanctioned the scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**") by which the recommended cash offer made by Picture Holdco Limited ("**Bidco**") for the entire issued share capital of Pinewood (the "**Scheme**") is being implemented.

It is anticipated that the Effective Date will be 4 October 2016, which is when the Court Order is expected to be delivered to the Registrar of Companies. There has been no change to the expected timetable of principal events for the Scheme set out on page 1 of the scheme document published on 24 August 2016 in relation to the Scheme (the "**Scheme Document**").

Trading in Pinewood Shares on the London Stock Exchange's AIM market for listed securities will be suspended with effect from 7.30 a.m. (London time) on 29 September 2016. The cancellation of the admission to trading of Pinewood Shares on the London Stock Exchange's AIM market has been applied for and, subject to the Scheme becoming effective, is expected to take effect at 7.00 a.m. (London time) on 5 October 2016.

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

Enquiries:

Pinewood Group plc

Ivan Dunleavy
Andrew M. Smith

Tel: +44 1753 656 732

Rothschild (financial adviser to Pinewood)

Alex Midgen
Sam Green

Tel: +44 207 280 5000

PricewaterhouseCoopers LLP (financial adviser to Bidco)

Jon Raggett
Gerry Young

Tel: +44 207 583 5000

Peel Hunt LLP (NOMAD and broker to Pinewood)

Edward Knight

Tel: +44 207 418 8900

Montfort Communications (PR advisor to Pinewood)

James Olley

Tel: +44 203 770 7909

Brunswick (PR advisor to Bidco)

Kim Fletcher
Oliver Hughes

Tel: +44 207 404 5959

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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.

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

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

Publication on Website

Pursuant to Rule 26.1 of the Code, a copy of this announcement will, subject to certain restrictions, be available for inspection on Bidco's website at www.pictureholdcoltd.com and Pinewood's website at 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.

Dealing Disclosure requirements

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

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

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

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

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You

should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.