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Pinewood Studios to be sold for £323m

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The owner of [Pinewood Studios](#), home to the James Bond and *Star Wars* films, is set to be sold to a real estate private equity fund for £323m.

[Pinewood Group](#), which is listed on London's junior market, said that it would recommend that shareholders accept an offer from PW Real Estate Fund III, run by the French property investor Leon Bressler.

A person familiar with the fund's strategy said that it did not intend to separate Pinewood's real estate from its operating business but would invest to speed up the group's existing expansion plans, with the current management remaining in place.

Buckinghamshire-based Pinewood, established in 1936, has provided the setting for some of the best-known UK films and a series of Hollywood blockbusters. It also operates studios in countries including Canada and Malaysia.

Pinewood's 60,000 sq ft 007 stage was built in 1976 for the James Bond film *The Spy Who Loved Me*, and has since been used for scenes in movies from *Tomb Raider* to *Charlie and the Chocolate Factory*.

But the group has been seeking further investment for expansion, including a £200m boost to capacity at its main UK operations, and in February [hired investment bank Rothschild](#) to explore options including a takeover. Rothschild spoke to more than 180 potential buyers, according to a person close to the deal.

Pinewood previously favoured a listing on London’s main market but was stymied by the concentration of its shares. Almost two-thirds are held by just two shareholders who were reluctant to see their holdings diluted.

Ivan Dunleavy, Pinewood’s chief executive, said: “Pinewood has grown in recent years into a global operation which sits at the forefront of the UK’s creative industries.

“We believe that we have found the right partner for the business and one that shares our long-term vision for the future of the group.”

London-based Aermont Capital, which runs the fund seeking to buy Pinewood, is an offshoot of the US investment bank Perella Weinberg but split from its parent company in July 2015.

The €1.5bn fund seeking to buy Pinewood has a mandate to buy property assets and “corporate operating businesses that have a real estate component”. Another fund run by the same managers previously owned a portfolio of cinemas leased to the French operator UGC.

The 560p-a-share offer equates to 31 times earnings, and is a 50 per cent premium to the 375p-a-share achieved in a £30m placing in April, but comes below the 570p-to-580p range in which the shares have been trading in recent weeks.



Sahill Shan, analyst at N+1 Singer, said that the price was “below our fair value estimate of 600p-625p and in our view does not fully reflect the potential upside”.

One top-10 shareholder said that “the market has spoken, but it’s a shame that it is a proxy rather than an operator” that is set to buy the asset.

Mr Bressler, managing partner at Aermont and a former chief executive of Unibail-Rodamco, the €39bn commercial property company, said: “The transformation of the

business in recent years has been considerable and it is clear that there are more ambitions to be realised.

“We look forward to working with Pinewood’s management team to deliver their compelling strategy for future growth, both in the UK and internationally.”

A subsidiary of the Manchester-based conglomerate Peel Holdings owns 39 per cent of the shares in Pinewood, a situation that dates from 2011 when Peel launched a takeover bid. Warren James, the jeweller, blocked the deal and still owns 26 per cent of the stock. Both have agreed to support the takeover, Pinewood said.

The Aermont fund must complete its financing for the deal in the next four weeks in order for it to proceed.