

MEDIA STATEMENT

Kuala Lumpur, 16 December 2009

Khazanah and Pinewood collaborate to develop a world class media production facility in Iskandar Malaysia

Khazanah Nasional Berhad (“Khazanah”), through its wholly-owned subsidiary Beserah Ventures Sdn. Bhd. (“BVSB”), and Pinewood Shepperton plc (“Pinewood”) of the United Kingdom, has entered into definitive agreements to develop Pinewood Iskandar Malaysia Studios (“PIMS”), an integrated media production studio facility to be located in Iskandar Malaysia. The state-of-the-art facility, costing approximately RM400 million (or approximately USD120 million), is expected to open in early 2013. It will offer high-definition (“HD”) equipped TV studios and film stages, post-production suites, office suites, workshops, and a backlot, initially targeting productions from Malaysia and Asia-Pacific; and over the medium to long term, international productions.

The collaboration with Pinewood, the oldest and largest independent studio operator in the world, will allow PIMS to benefit from Pinewood’s reputation and extensive network in the US and Europe, placing PIMS in a strong position to penetrate the film and TV market internationally. Pinewood has over 75 years of filming history, playing host to around 1,500 productions, including sensational franchises such as the James Bond and Harry Potter series, and blockbusters such as Mission: Impossible, Batman Begins, The Da Vinci Code and most recently, Slumdog Millionaire. At the outset, PIMS has had the benefit of a commitment from ASTRO, which has signed a memorandum of understanding (“MoU”) to utilise the studios for a number of their local language content programmes which have greatly increased in recent years.

Khazanah’s Managing Director, Tan Sri Dato’ Azman Hj. Mokhtar said: “PIMS represents another significant catalyst investment by Khazanah in Iskandar Malaysia and in the Creative Industries that represents one of the targeted new economy sectors.” He added: “Pinewood is a world-class brand which we are delighted to partner with. This facility will place Iskandar Malaysia on the Creative Industries map and will link the creative hubs in both Kuala Lumpur and Singapore.”

PIMS is expected to bring significant economic and social benefits to Iskandar and Malaysia. It is projected to contribute approximately RM1 billion (or approximately USD290 million) in economic impact in the next eight years, create 3,000 direct jobs and potentially an additional 5,000 indirect jobs a year from the rising number of foreign films and TV shoots. Furthermore, the investment in PIMS is expected to contribute to the development of the Creative Industries through the film/TV production value chain, with spill-over effects to other economic sectors like tourism, finance, and high-value manufacturing. The development of a Creative eco-system in Iskandar Malaysia, one of the nine economic pillars identified in Iskandar Malaysia’s Comprehensive Development Plan, will enhance innovation creativity and stimulate entrepreneurship.

The studio facility will be located on an 80-acre greenfield site adjacent to Medini, a large international urban development in Iskandar. It was picked for its setting, whilst still having the benefits of proximity to a fast growing city. Its location also makes it easily accessible from Singapore, increasing its network and reach.

Pinewood's Chief Executive, Mr Ivan Dunleavy, who was present at the signing ceremony, commented: "Pinewood has been in active discussions with Khazanah over the last 15 months on this project which we are delighted to sign today. We have been immensely attracted to Malaysia's cultural and ethnic diversity. The English speaking and skilled workforce and creative talent has presented us an opportunity to launch our Asian presence. The location in Iskandar Malaysia couldn't be more strategic given its proximity to both Singapore and Kuala Lumpur and the major airports that serve Asia Pacific." Pinewood is particularly excited about Asia as it is the region enjoying the highest growth in film production globally, added Dunleavy.

Over the past decade, Asia has seen a rapid growth of regional and locally produced film and TV content. Since 1997, total movie production in Asia has been recording new highs every year. In the ten year period from 1997 to 2007, it has achieved a compounded annual growth rate ("CAGR") of 14.5%, or an average of 191 new productions each year, significantly outperforming the single-digit global industry growth. Going forward, PricewaterhouseCoopers Global Entertainment & Media have stated that Asia Pacific will continue to lead global growth. In Malaysia itself, the growth in expenditure on local film and TV content (including commercial productions) has risen at a CAGR of 8.9% p.a. over the last 5 years. With this growth, and the introduction of HDTV and digitisation of film production, the market has presented Malaysia an opportunity to establish a world-class production facility that can be used by local content developers to upgrade the quality of their productions, as well as attract regional and other international productions.

With ASTRO already signed up as an anchor tenant, PIMS is already on its way to establishing itself as an important player in the industry. Dato' Rohana Rozhan, CEO of MEASAT Broadcast Network Systems Sdn. Bhd. ("ASTRO") highlighted: "The development of the Studios comes at an opportune time for ASTRO as our focus continues to be increased localisation and quality local content as well as the production of signature local content in High Definition for ASTRO B.yond." In addition, she pointed out, the development of the studios in Iskandar Malaysia would contribute significantly to the development of the Creative Industries in Malaysia, particularly given the presence of the strong Pinewood brand.

BVSB will own the bulk of the equity in PIMS. Pinewood will provide key operational and marketing input during both the construction and operating phases, in addition to the rights to use its global brand.

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For further information, please contact Mohd Asuki Abas at +603 2034 0000 or via e-mail at asuki.abas@khazanah.com.my.

About Khazanah Nasional Berhad

Khazanah is the investment holding arm of the Government of Malaysia entrusted to hold and manage the commercial assets of the Government and to undertake strategic investments. Khazanah was incorporated under the Companies Act 1965 on 3 September 1993 as a public limited company.

Khazanah has stakes in more than 50 companies with assets valued in excess of USD25 billion. Khazanah is also the state agency responsible for strategic cross-border investments. These companies are involved in various sectors such as power, telecommunications, banking, automotive, airport management, infrastructure, property development, broadcasting, semiconductor, steel production, electronics, investment holding, research technology and venture capital.

About Pinewood Shepperton plc

Pinewood is home to one of the oldest and largest filming facilities in the world. With over 75 years of filming history and experience, Pinewood has played host to around 1,500 productions, including many blockbusters such as the renowned Bond franchise. Its integrated facility in the UK spreads across 3 studio sites (Pinewood, Shepperton and Teddington), covers 34 film soundstages, 10 TV studios, a comprehensive range of post-production facilities, the signature water filming facilities (which include an exterior tank and an underwater stage), the exterior and interior locations (like woods, fields, formal gardens, old manor houses and formal boardrooms) and seven backlots of more than 100 acres. Pinewood is listed on the London Stock Exchange. See also www.pinewoodgroup.com