

On the instructions of **Vue Properties Limited**



Well Secured Cinema Investment Opportunity

Odeon Cinema
Basingstoke Leisure Park
Churchill Way West
Basingstoke



Investment Summary

Odeon Cinema, Basingstoke Leisure Park, Churchill Way West, Basingstoke

Location: Located approximately 2 km (1.25 miles) west of the town centre in principal leisure destination.

Affluent town ranked 8th of the 100 PROMIS centres on the PMA Affluence Indicator.

Description: A 10 screen multiplex Cinema of approximately 3,696 sq m (39,792 sq ft) providing 2,398 seats.

Tenure: Long leasehold, held from Basingstoke and Deane Borough Council, for a term of 125 years from 12th September 1990, at a peppercorn.

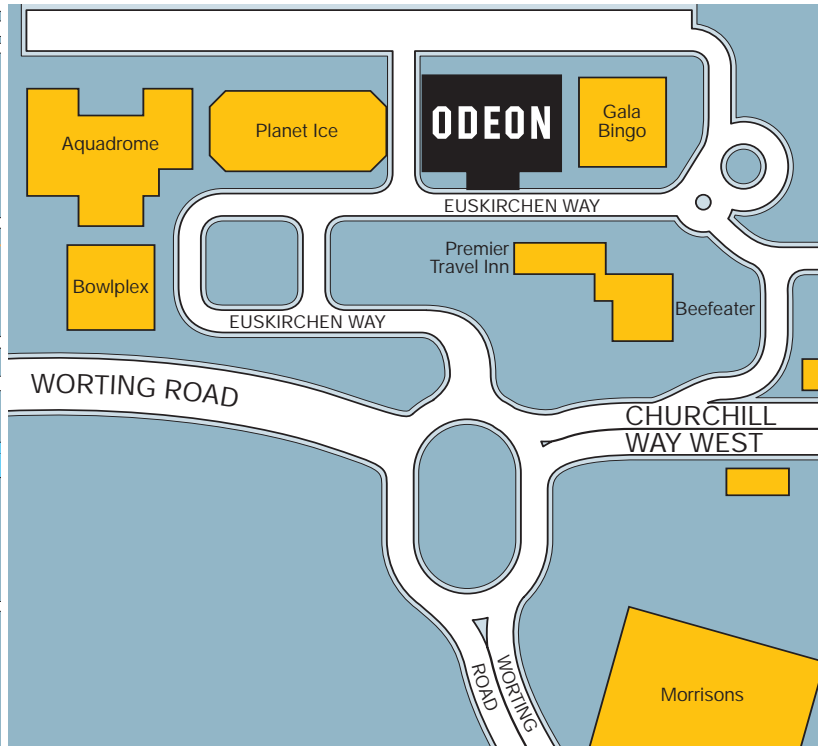
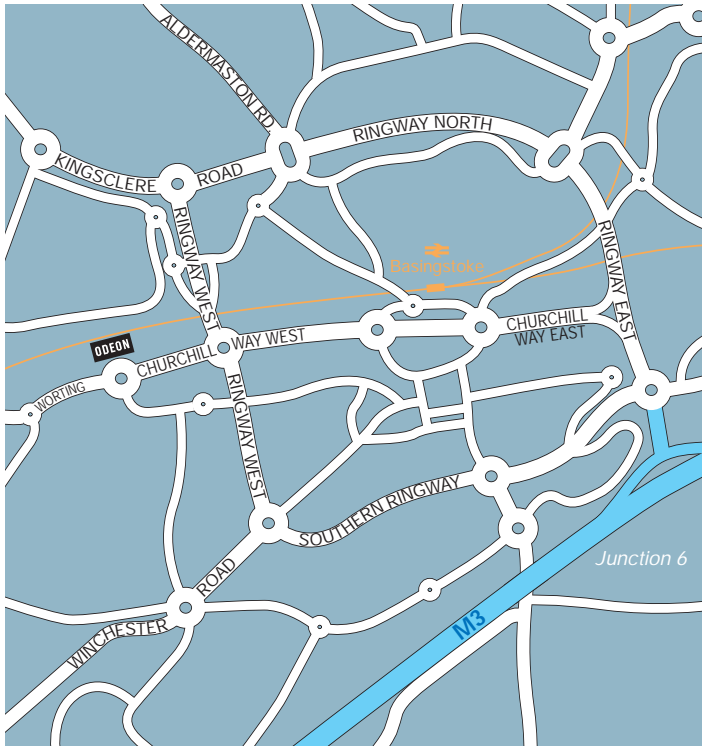
Tenancy: To be let to Odeon Cinemas Limited, for a term of 20 years, on full repairing and insuring terms, at a commencing rent of £477,504 p.a. equating to £129.18 per sq m (£12.00 per sq ft).

Rent Reviews: 5 yearly upward only, to open market rental value with minimum uplifts based upon 2.5% p.a. compound at the 5th and 10th years.

Price: Offers in excess of £7,850,000 (seven million eight hundred and fifty thousand pounds) for the long leasehold interest in the property.

Yield: A purchase at this level would show the following minimum yield profile, net of purchaser's costs of 5.7625%

Initial Yield	5.75%
2011	6.50%
2016	7.36%
Equivalent Yield	6.74%



Location

Odeon Cinema, Basingstoke Leisure Park, Churchill Way West, Basingstoke

Location

Basingstoke is a sub regional centre, located within north east Hampshire, approximately 79 km (49 miles) south west of Central London and 47km (31 miles) to the north east of Southampton. Reading lies approximately 32 km (20 miles) to the north.

Lying on the M3 corridor, communications are excellent: Junction 6 of the M3 lies immediately to the east of the town centre. The A30 runs through the town providing access to the A34 dual carriageway link between Southampton and Oxford. The M25 motorway is just 40 km (25 miles) away. There is an excellent rail service into London Waterloo in just 44 minutes and Heathrow Airport is just 48 km (30 miles) away.

The Basingstoke catchment population of Basingstoke is very affluent, ranked 8th of the 100 PROMIS centres on the PMA Affluence Indicator. The town has a primary catchment population of 134,000 people rising to over 280,000 within 20km (12.5 miles).

Basingstoke boasts a total retail floorspace of approximately 106,837 sq m (1.15 million sq ft) following the opening of Festival Place in 2002 and a total office stock of 464,510 sq m (5 million sq ft).

Basingstoke includes a relatively high proportion of 25-44 year olds, an important category in terms of leisure spend. Reflecting the age and social structure of the catchment, per capita retail spend is significantly above the PROMIS average. Car ownership is high with a particularly high proportion of 2-car households.

CACI Lifestyle Groups	Basingstoke	GB Average
Wealthy Achievers, Suburban Areas	22.4	15.0
Affluent Executives	19.7	4.3
Affluent Urbanites	3.2	2.5
Affluent AB Class Grouping	29.5	21.7
Affluent D Class Grouping	14.7	17.2

Situation

Basingstoke Leisure Park is located on Churchill Way West (B3400), 2km (1.25 miles) to the west of the town centre, immediately to the west of the ring road. Access to the Park is via Euskirchen Way which leads off West Ham Roundabout.

Basingstoke Leisure Park is the major out of centre leisure destination for Basingstoke and it's catchment. It is also located adjacent to the town centre Park and Ride facility, which provides a shuttle bus service between the Leisure Park, the Railway Station, the town centre and Basing View.

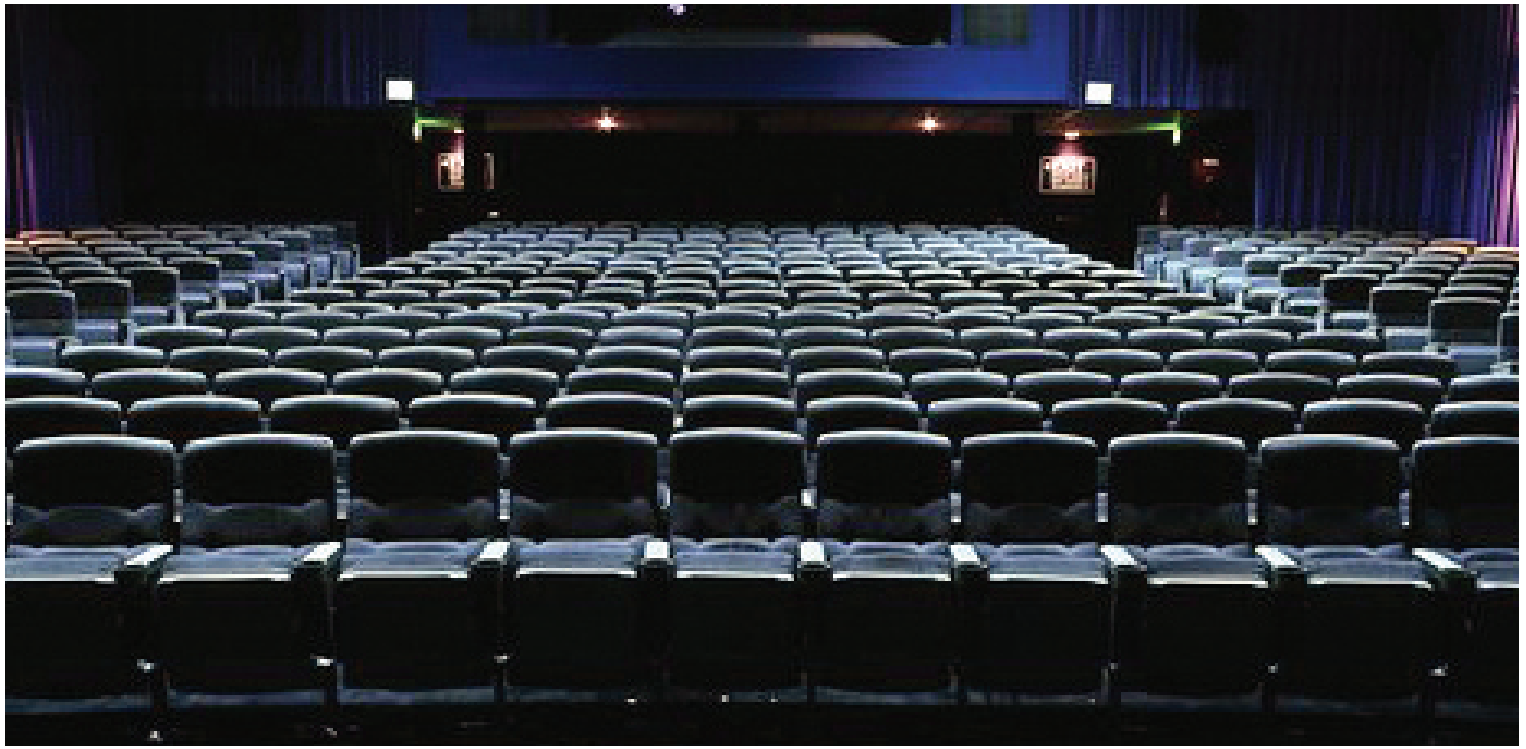
A full range of leisure facilities are provided on the park including bowl, Ice Arena, Aquadrome, health and fitness, bingo, indoor bowls, history museum, hotel, a pub and restaurants.

The subject property is centrally located on the park, between the Ice Arena and Gala Bingo. Together with the Park and Ride there is a total of over 900 free surface car parking spaces serving the leisure park.

Cinema Competition

There is a 10 screen multiplex cinema located within Festival Place Shopping Centre, operated by Vue. Parking for the cinema is within the shopping centre and it is fee paying. The only other cinemas are 24km (15 miles away) at Reading and Bracknell.





Description & Details

Description

The subject property was constructed in 1990 and comprises a detached, 10-screen multiplex cinema providing 2,398 seats. The building is of steel framed construction with part brick and part profiled metal cladding. It has a full height, glazed entrance feature and a canopy extends along three sides of the building.

The cinema auditora are all provided at ground floor level with good circulation areas. The full height entrance foyer provides, as well as the ticket office and popcorn/drinks counter, a games room, sweet shop and ice cream kiosk.

Accommodation

The property provides a total gross internal floor area, excluding the projection mezzanine and ancillary offices, of approximately 3,696 sq m (39,792 sq ft).

Tenure

The property is held on a lease from Basingstoke and Deane Borough Council, for a term of 125 years from 12th September 1990, at a peppercorn rent. There are 109 years unexpired.

A copy of the headlease is available to interested parties.

Tenancy

To be let to Odeon Cinemas Limited, for a term of 20 years, at a commencing rental of £477,504 p.a.

The lease will be on full repairing and insuring terms with a service charge payable for maintenance of the common areas. It will provide for 5 yearly upward only rent reviews. At the first and second reviews the rent is reviewed to the higher of open market value or 2.5% per annum compound.

Open market rental value will be based upon a "warm shell" specification.

A copy of the sub-lease is available to interested parties.

Odeon Cinemas Ltd

Odeon is the largest cinema chain in the UK with 110 cinemas and 812 screens. In February 2000 the company was sold to Cinven, merging it with ABC Cinemas. In September 2004 Terra Firma, the private equity firm, acquired Odeon and in October 2004 acquired UCI. The new chain is to be rebranded Odeon.

A summary of the most recent results for Odeon Cinemas Ltd is set out below:

	Dec 04	Dec 03
Turnover	£167,996,000	£165,105,000
Pre-Tax Profit(loss)	£7,832,000	£(1,570,000)
Net Worth	£219,475,000	£99,125,000



Rental Value

The cinema rent equates to £129.18 per sq m (£12.00 per sq ft) on the floor area of 3,696 sq m (39,792 per sq ft). In comparison with rents more recently agreed, we consider this is a conservative level.

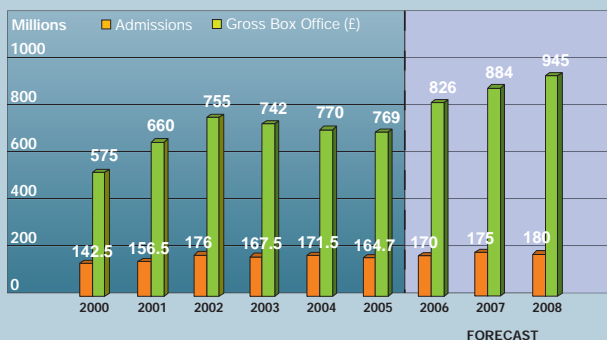
We set out below a schedule of recent rental deals:

Address	Tenant	Floor Area		Rent		Date
		sq m	sq ft	£ per sq m	£ per sq ft	
Camberley	Vue	3,302	35,545	161.46	15.00	2005
Bristol, Broadmead	Showcase	6,781	73,000	150.70	14.00	2005
Swansea	Vue	3,207	34,520	134.55	12.50	2004
Cambridge	Cineworld	3,298	35,500	118.40	11.00	2002

We consider therefore that the commencing rent provides good potential for rental growth in the future.

The Cinema Market

Between 2000 and 2004 cinema admissions increased by over 20% and whilst they dropped 4% in 2005, ticket prices increased by the same amount thereby maintaining revenue levels.



Current trends in admissions suggest the figure will pass the 200 million mark in the next 5 years. With a forecast 3% p.a. increase in ticket prices (compared to 4% p.a. over the last decade) box office revenues are expected to exceed £1.0 billion in 2009.

With more "old style" cinemas closing over the next few years, the rate of growth in screen numbers is likely to fall behind the growth in admissions which is also positive for industry profits.

(Dodona Research)

Purchase Price

Our client is seeking offers in excess of £7,850,000 (seven million eight hundred and fifty thousand pounds) subject to contract and exclusive of VAT for the long leasehold interest in the property.

A purchase at this level, on the basis of the above lease terms, shows the following yield profile, net of purchasers' costs of 5.7625%.

Initial yield	5.75%
2011	6.50%
2016	7.36%
Equivalent yield	6.74%

Further Information

If you would like any further information on the property or wish to arrange an inspection, please contact:

James Welch

DD: 020 7534 0993

E: jwelch@aswprop.com

Arun Sibal

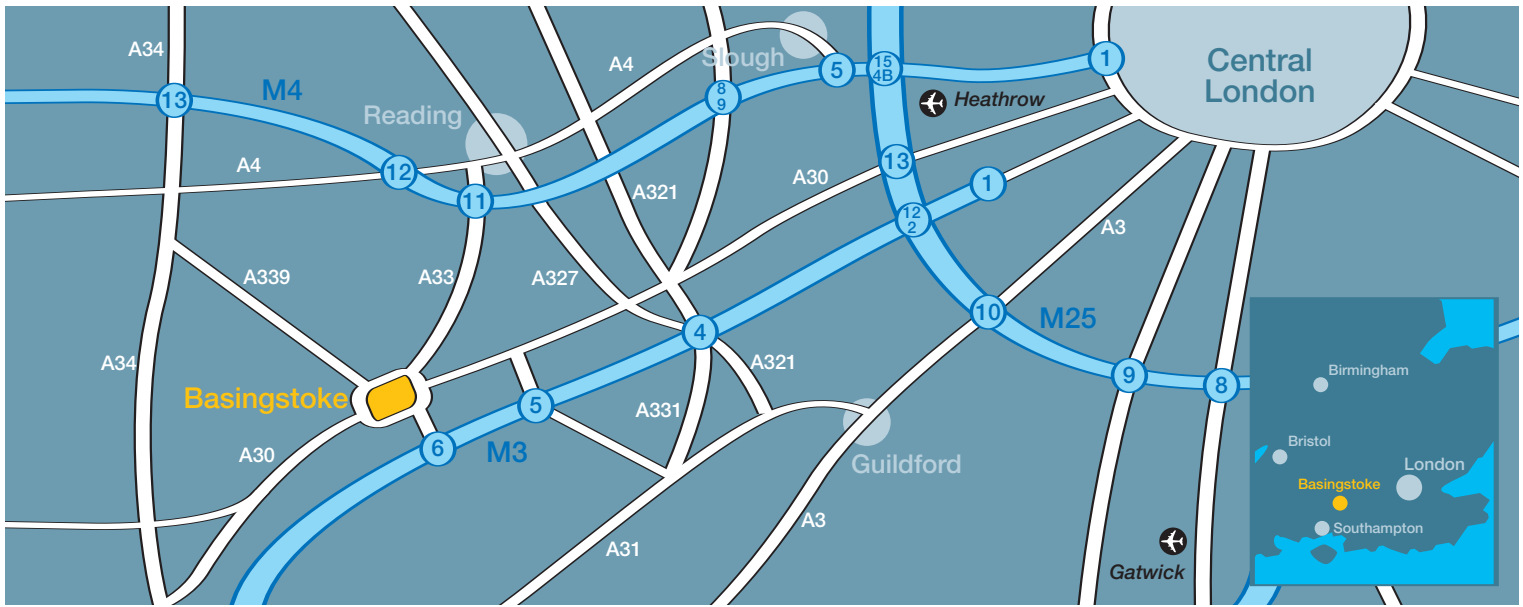
DD: 020 7534 0992

E: asibal@aswprop.com

Jonnie Ray

DD: 020 7534 0994

E: jray@aswprop.com



Misrepresentation

Misrepresentation Act 1967: Ashworth Sibal Welch (ASW) for themselves and the vendors of the property whose agents they are give notice that: 1. These particulars are a general outline only, for the guidance of prospective purchasers and do not constitute the whole or any part of an offer or contract; 2. ASW cannot guarantee the accuracy of any descriptions, dimensions references to condition, necessary permissions of use and occupation and other details contained herein and therefore prospective purchasers must not rely on them as statements of fact or representations and must satisfy themselves as to accuracy; 3. ASW or their employees do not have any authority to make or give representation or warranty or enter into any contract whatever in relation to this property; 4. Rents and prices quoted may be subject to VAT in addition; 5. ASW will not be liable in negligence or otherwise for any loss arising from the use of these particulars; 6. No responsibility can be accepted for any expenses incurred by intending purchasers in inspecting properties which have been sold or withdrawn; 7. ASW have not made any investigations into the existence of otherwise of any issues concerning pollution, potential land, air or water contamination. The purchaser is responsible for making their own enquiries in this regard.