

## The acquisition by Vue Entertainment Holdings (UK) Ltd of A3 Cinema Limited

### Notice of proposal to accept undertakings pursuant to section 82 of and Schedule 10 to the Enterprise Act 2002 and public consultation on the proposed undertakings

1. In its report *Vue Entertainment Holdings (UK) Ltd and A3 Cinema Limited A report on the completed acquisition by Vue Entertainment Holdings (UK) Ltd of A3 Cinema Limited* (the report) dated 24 February 2006 the Competition Commission (CC) concluded:
  - (a) that the acquisition by Vue Entertainment Holdings (UK) Ltd (Vue) of A3 Cinema Limited was the creation of a relevant merger situation and that the merger has resulted in a substantial lessening of competition in the market for cinema exhibition services in Basingstoke (the SLC) and that this may be expected to result in higher prices for cinema tickets, a reduced incentive to maintain the quality of the offer at the Basingstoke cinemas, and a reduction in choice for consumers in Basingstoke (see in particular paragraphs 6.33 to 6.63 of the report);
  - (b) that the CC should take action to remedy, mitigate or prevent the SLC and the adverse effects flowing from it; and
  - (c) to that end undertakings providing for the disposal of one or other of the two Basingstoke cinemas owned by members of the Vue group should be accepted (see part 7 of the report generally, and paragraphs 7.19 to 7.61 in particular).
2. The CC has now reached agreement with Vue as to the terms of such undertakings, and the undertakings are annexed to this notice.
3. The CC now gives notice of the undertakings and invites written representations on them from any person or persons who wish to comment. Representations should reach the CC by Monday 24 April 2006 and will be published on the CC's website.
4. In the absence of any written representations, the CC proposes to accept the undertakings in their present form. Should there be written representations that are not withdrawn, the CC will consider them. If the CC considers that any such representation necessitates a modification of either or both of the undertakings, the CC will give notice of the proposed modification.
5. Undertakings accepted by the CC may be varied, superseded or released by the CC in accordance with section 82(2) of the Enterprise Act 2002.
6. Comments on the undertakings should be provided to the CC in writing by Monday 24 April 2006 and should be addressed to: Michelle Horan-Cashmore, Inquiry Secretary, Vue/Ster inquiry, Competition Commission, Victoria House, Southampton Row, London, WC1B 4AD or by email to [michelle.horan-cashmore@cc.gsi.gov.uk](mailto:michelle.horan-cashmore@cc.gsi.gov.uk).

**Dame Barbara Mills QC**  
**Chairman Vue/Ster inquiry group**

**Competition Commission**  
**10 April 2006**