

CINEWORLD MERGER INQUIRY

Cancellation of merger reference

The Competition Commission (CC) cancelled the reference concerning the proposal to make arrangements whereby an enterprise carried on by or under the control of Samenic Limited (formerly known as Hoyts Cinemas Ltd) and / or National Amusements will cease to be distinct from the Cine-UK Limited business being an enterprise or enterprises carried on by or under the control of CineWorld Group plc.

The reference was made to the CC on 17 March 2008 by the Office of Fair Trading under section 33 of the Enterprise Act 2002. The terms of reference required the CC to examine:

- (a) whether arrangements were in progress or in contemplation which, if carried into effect, would result in the creation of a relevant merger situation; and
- (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the UK for goods or services including the supply of film exhibition services.

The CC has received assurances from CineWorld Group Plc and Cine-UK Limited (together "CineWorld") that the proposal to make arrangements of the kind mentioned in the reference has been abandoned including the abandonment of arrangements by CineWorld to operate a cinema business at the Hollywood Green Leisure Park, Wood Green.

The Chairman of the CC, Peter Freeman, having had regard to those assurances, is satisfied that CineWorld has, within the terms of section 37(1) of the Enterprise Act 2002, abandoned the proposal to make arrangements of the kind mentioned in the reference. The Chairman has consequently cancelled the reference in accordance with his powers under Schedule 7 to the Competition Act 1998.

This cancellation is published in accordance with requirements laid down by sections 107(2)(a) and 107(4) of the Enterprise Act 2002.

2 April 2008