

## Distributors and exhibitors in the UK

### Distributors

*Note:* An asterisk against the title of a film mentioned in this appendix indicates that the film was British-made.

#### *UIP*

1. UIP BV was formed in 1981 in the Netherlands, a joint venture by MCA/Universal, MGM Inc and Paramount (the UIP partners). Its purpose was to distribute feature films and short films produced and acquired by the three partners and their affiliates for theatrical and non-theatrical exhibition outside the USA and Canada. UIP BV licenses the films of its three partners to United International Pictures, a UK-based unlimited company which is responsible for the distribution of the partners' films in all countries outside North America. This company sub-licenses the film rights which it receives from UIP BV to the various national distribution companies. In the UK the distribution company is United International Pictures (UK), referred to in this report as UIP. UIP has a right of first refusal to distribute films produced or distributed by each of the three joint partners in its parent company. It has distributed on average about 29 films in the UK each year since 1988. The great majority (80 per cent) of these films emanated from two of the three partners, Paramount and MCA/Universal, with very few from MGM Inc (except in 1988). Paramount has been the source of many of UIP's most successful films since 1988, including *Fatal Attraction* (first released in 1988), *Crocodile Dundee II* (1988), *Indiana Jones and the Last Crusade\** (1989) and *Ghost* (1990). *Jurassic Park*, first released in the UK in July 1993, was produced by Universal, as was *Schindler's List* (1994). UIP also distributed *Shadowlands\** (1994) produced in the UK by Shadowlands Productions.

#### *Warner Distributors*

2. Warner Distributors began operating in the UK in 1931 and is now a subsidiary of Time Warner Entertainment Company LP (a Limited Partnership registered in the US state of Delaware) which in turn is majority owned by Time Warner. Time Warner's Entertainment Group comprises companies engaged in film entertainment and related businesses. Between 1988 and 1992 Warner Distributors distributed Walt Disney films in addition to those films produced or acquired by Warner Bros International (a division of Time Warner) or any other company within the Time Warner Entertainment Group. Since the end of 1992 Disney films have been distributed in the UK by Buena Vista, a Walt Disney subsidiary company. Warner Distributors distributed on average about 16 Warner Bros International films in the UK each year since 1988. Among the more successful in recent years were *Batman\** (1989), *Robin Hood: Prince of Thieves\** (1991), *Lethal Weapon* (1992), *Batman Returns* (1992), *The Bodyguard* (1993), *The Fugitive* (1993) and *The Secret Garden\** (1993). *Pretty Woman* (1990) and *Three Men and a Little Lady* (1991) were two of the Walt Disney films distributed by Warner Distributors.

#### *Columbia*

3. Columbia is the division of Columbia Pictures Corporation Limited (CPCL) which has been responsible since at least 1983 for theatrical and private screen distribution of films in the UK. It distributes the film output of its affiliated US companies, Columbia Pictures Industries Inc and Tristar Pictures Inc. CPCL is a UK registered company and is now ultimately owned by the Japanese company Sony Corporation. Columbia has distributed, on average, 20 films each year since 1989. Its most successful recent films in the UK include *Look Who's Talking* (1990), *The Addams Family* (1991), *Hook* (1992), *Bram Stoker's Dracula* (1993), *Sleepless in Seattle* (1993), *The Remains of the Day\** (1993) and *Philadelphia* (1994).

## ***Buena Vista***

4. Buena Vista, a wholly-owned subsidiary of The Walt Disney Company, started distributing films in November 1992. Between 1988 and 1992 Disney films had been distributed in the UK by Warner Distributors. Buena Vista distributes films from three main film production companies, namely Walt Disney Pictures, Touchstone Pictures and Hollywood Pictures (all of which are owned by Walt Disney). In its first full year of trading in the UK Buena Vista distributed 18 films. Its first release was *Sister Act* (1992), and among its other releases some of the most popular were *Honey, I Blew Up The Kids*, *The Jungle Book*, *What's Love Got To Do With It* and *Aladdin*, all released in 1993, and *Cool Runnings*, *Sister Act II*, *The Three Musketeers\** and *My Father the Hero*, all released in 1994.

## ***Fox***

5. Fox is a subsidiary of Fox Inc, which since 1985 has been a wholly-owned subsidiary of The News Corporation Limited based in South Australia. Fox distributes mainly those films covered by a franchise agreement with Twentieth Century Fox International Corporation, but it also acquires rights from third parties to license other titles for cinema exhibition. In the period 1988 to 1992 Fox distributed on average about seven films each year in the UK. *Sleeping with the Enemy* and *The Commitments\** (both released in 1991), *Alien III* (1992), *Home Alone 2: Lost in New York* (1992) and *Mrs Doubtfire* (1994) have been among the more successful of recent Fox titles.

## ***Independent distributors***

6. There are about 24 independent distributors who trade on their own account, and the majority of them distribute fewer than ten films each year (see paragraph 4.31). The main independent distributors include Guild, Entertainment, First Independent, RFD, Electric Pictures, Artificial Eye and Metro Tartan. The last four named distributors also have some interest in cinema exhibition. In May 1994 Mayfair and Artificial Eye announced their intention to merge their distribution interests. Independents have distributed a number of successful films. Examples include: Artificial Eye's *Farewell my Concubine* (1994) and *Short Cuts* (1994); Entertainment's *Highlander II* (1991), *Peter's Friends\** (1992), *Super Mario Brothers* (1993), *Much Ado About Nothing\** (1993), *The Piano* (1993), *Mr Nanny* (1993), *The Man Without a Face* (1993), *Tombstone* (1994) and *The Crow* (1994); Guild's *Total Recall* (1990), *Dances with Wolves* (1991), *Terminator 2* (1991), *Basic Instinct* (1992) and *Cliffhanger* (1993); First Independent's *The Lawnmower Man\** (1991); Mayfair's *Howards End\** and *The Crying Game\**, both distributed in 1991; and RFD's *The Krays\** (1990), *Silence of the Lambs* (1991), *Reservoir Dogs* (1993), *Malice* (1994) and *Four Weddings and a Funeral\** (1994).

## ***Exhibitors***

### ***MGM Cinemas***

7. MGM Cinemas is the largest operator of cinemas in the UK. It currently (July 1994) operates 119 cinemas with a total of 394 screens. It originated in a series of structural changes affecting EMI Cinemas Ltd, which had the largest cinema chain at the time of the MMC's last report. EMI Cinemas was acquired by Cannon Group (Cannon) in 1986 and four years later Cannon acquired MGM Inc, the Hollywood studio. The studio is now owned by Crédit Lyonnais, the third largest bank in France, as a result of loan default. MGM Cinemas told us that since September 1993 it had operated separately from, and was no longer controlled by, MGM Inc, but reported to Crédit Lyonnais through a separate reporting chain.

8. Many of MGM Cinemas' cinemas are quite small. It has 9 single-screen cinemas, 29 with two screens and 56 with three screens. Thus 94 of its 119 cinemas have fewer than four screens. MGM Cinemas trades as Cannon except in the West End of London and at its 17 multiplex cinemas. The locations of all MGM Cinemas' cinemas in the UK are shown in Figure 1.

## ***Odeon***

9. Odeon, owned by Rank, is the second largest operator of cinemas in the UK, with 73 cinemas containing 319 screens in total. Forty-seven of its 73 cinemas have three, four or five screens, and it has so far invested in eight new multiplex cinemas. Figure 1 also shows the location of all the Odeon cinemas in the UK.

## ***UCI***

10. UCI is the UK subsidiary of UCI BV, a joint venture between Paramount BV and MCA BV. These two partners are also the joint owners of Cinema International Corporation NV, whose UK subsidiary, CIC UK (CIC), owns two London West End cinemas (the Empire and Plaza) which are managed on its behalf by UCI. UCI, now the leading multiplex operator in the UK, is a new entrant to the industry since the MMC's 1983 report. In December 1988 UCI's partners acquired, from American Multiplex Cinemas Inc, a chain of 19 multiplex cinemas (built or under development), including the UK's first multiplex cinema (The Point in Milton Keynes) which had opened in November 1985. UCI has since built new multiplexes, mostly on out-of-town sites, and it now operates 24 multiplex cinemas containing 225 screens. Figure 2 shows the location of all multiplex cinemas in the UK, including those of UCI.

## ***Natl Amusements***

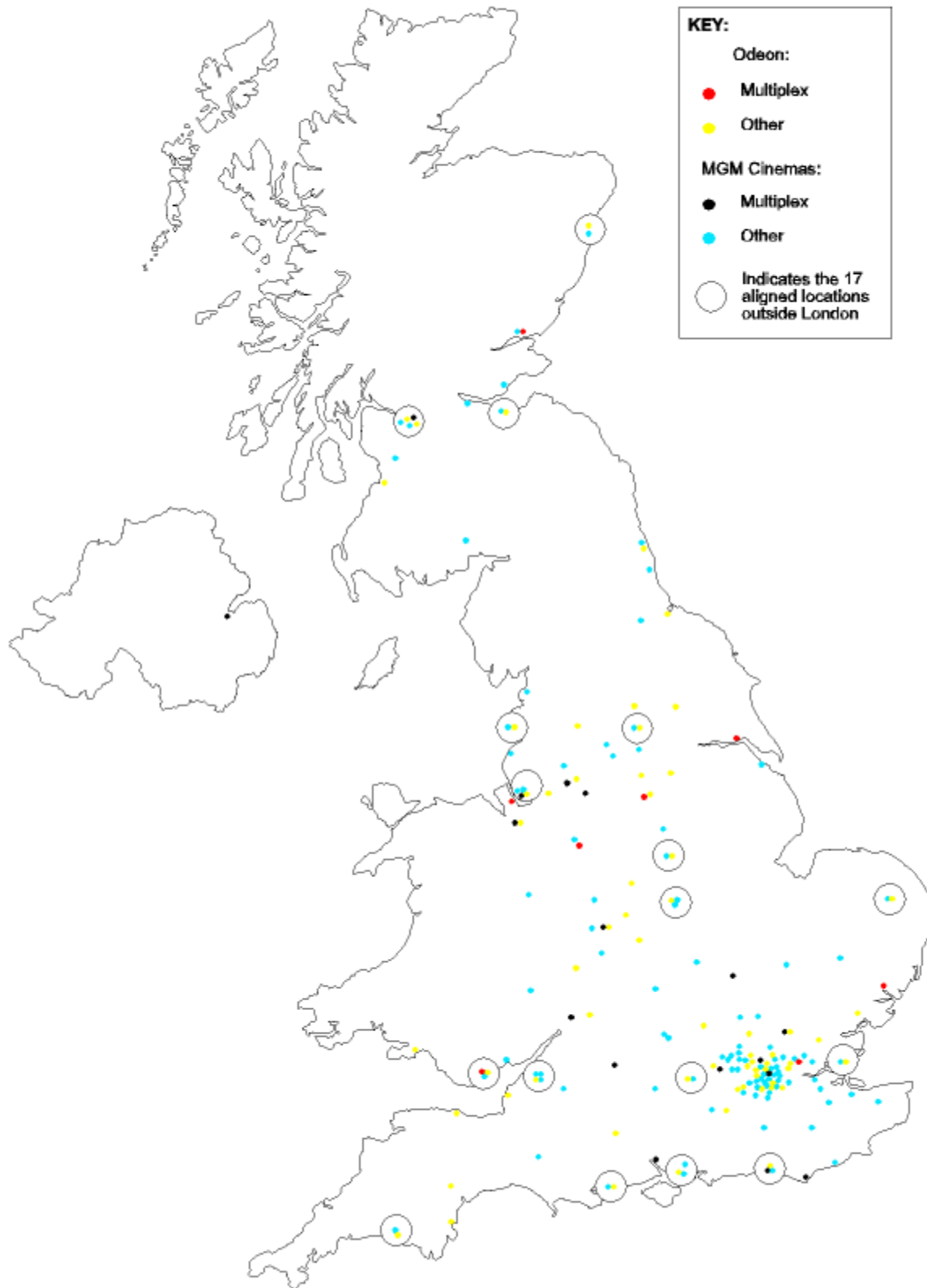
11. Natl Amusements operates ten multiplex cinemas containing 127 screens, mainly in the Midlands and North of England, having entered the UK exhibition market in 1988. Natl Amusements operates these cinemas under lease from National Amusements Ltd, which owns the land and the buildings. Mr S M Redstone (a US citizen) and certain members of his family own Natl Amusements, and the companies' day-to-day operations are actively managed from the company headquarters in Dedham, Massachusetts. National Amusements Inc, which is in the same ownership as Natl Amusements, is one of the eight largest cinema circuits in the USA and one of the earliest to build multiplexes there; it also owns National Amusements Ltd. Mr Redstone is also Chairman and, together with members of his family through National Amusements Inc, the majority shareholder of Viacom Inc (Viacom), one of the world's largest communications and entertainment companies. Viacom owns cable television networks and produces television programmes, as well as operating radio and television stations in the USA. In early 1994 Viacom acquired Paramount, the acquisition being completed in July 1994.

## ***Warner Theatres***

12. Warner Bros Theatres Limited was incorporated in 1931 solely to own and operate the Warner cinema in Leicester Square in the West End of London (known as the Warner West End). A second company, Warner Bros Theatres (UK) Limited, was incorporated in 1987 to develop a national chain of multiplex cinemas. The two companies, which are both part of the Time Warner Entertainment Group, are managed together. The Warner West End cinema served for many years as a showcase cinema for Warner films. It was closed in September 1991 for conversion into a nine-screen cinema and reopened in September 1993. Warner Theatres opened its first multiplex in Bury in 1989, and has since opened seven other multiplexes, mainly in the Midlands and the North of England. Together with its Warner West End cinema, it now operates nine cinemas containing 84 screens.

FIGURE 1

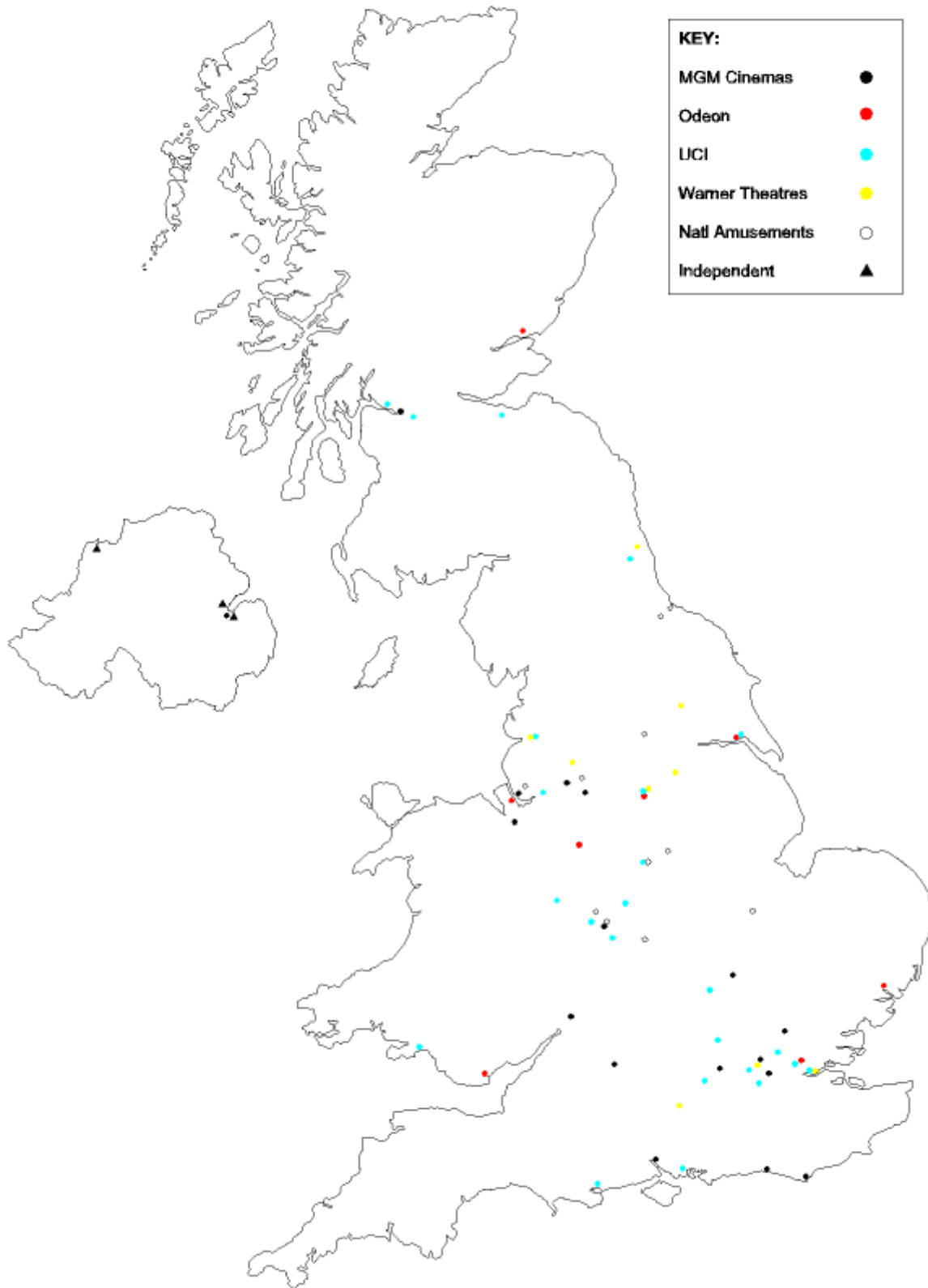
**Locations of cinemas operated by MGM Cinemas and Odeon, July 1994**



Source: MMC.

FIGURE 2

**Location of multiplex cinemas in the UK, July 1994**



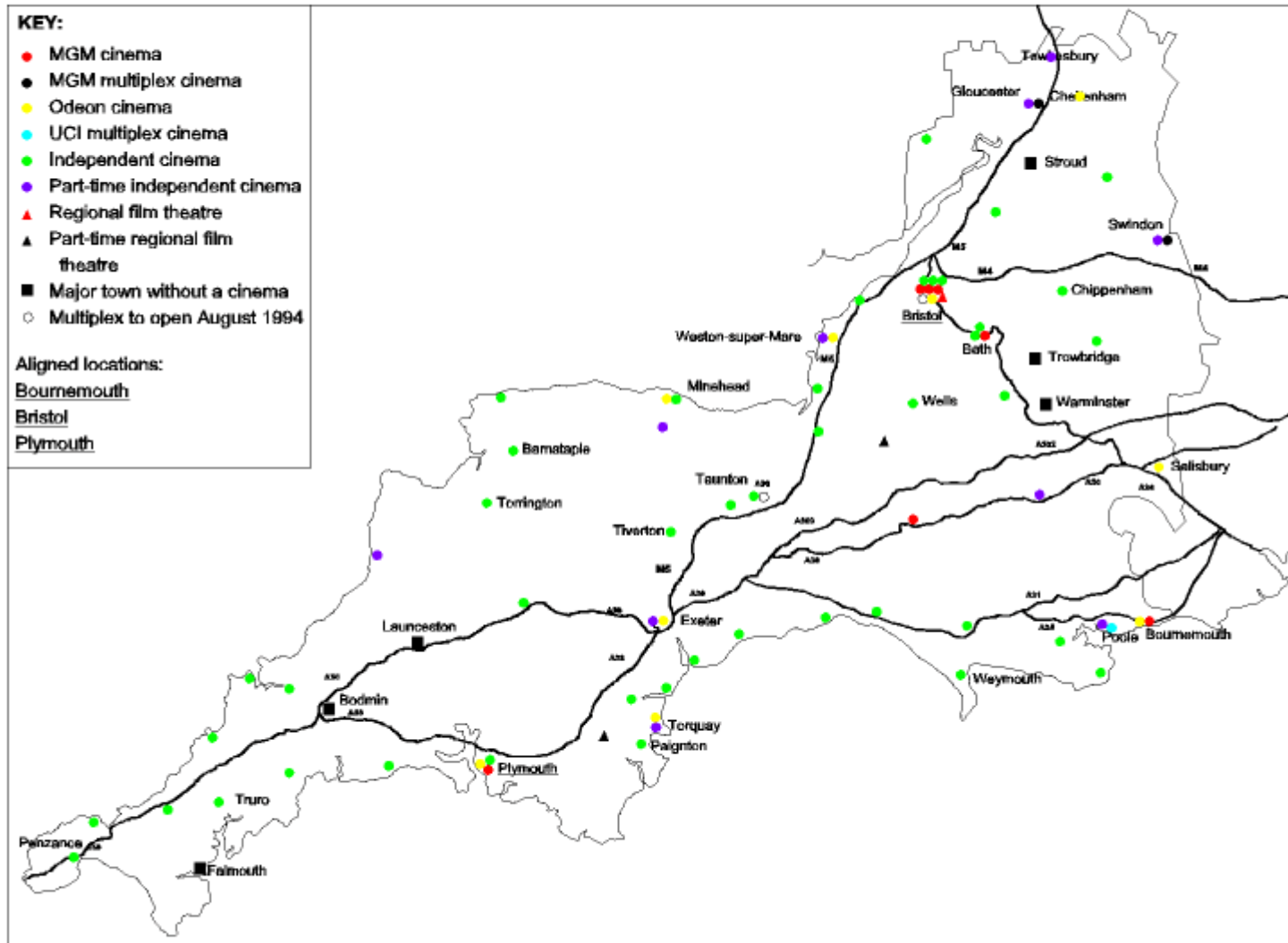
Source: MMC.

### *Independent exhibitors*

13. Most of the independent exhibitors operate either single-screen cinemas or a small number of multi-screen cinemas. These are mostly in small towns, but a few are in cities. Figure 3, which shows the locations of all the cinemas in the South-West region of England, illustrates the extent to which the less densely populated areas of the UK are served by independent cinemas. The seven counties in this region (Avon, Cornwall, Devon, Dorset, Gloucestershire, Somerset and Wiltshire) currently have just three multiplex cinemas: MGM Cinemas' multiplex cinemas in Gloucester (six screens, which opened in December 1990) and Swindon (seven screens, which opened in March 1991); and UCI's ten-screen cinema in Poole, which opened in December 1989). Two more are to open in August 1994: a Natl Amusements 12-screen multiplex cinema in Bristol, and Odeon's five-screen multiplex cinema in Taunton. There are also a further seven cinemas operated by MGM Cinemas and nine by Odeon, with 58 independent cinemas (including ten part-time cinemas and three RFTs).

FIGURE 3

Locations of cinemas in the South-West Region of England, July 1994



Source: MMC, based on cinema information published in the BFI's *Film & Television Handbook*, 1994.