



13th June, 2013

Inquiry Manager
Cineworld/City Screen Merger
Competition Commission
Victoria House
Southampton Row
LONDON
WC1B 4AD

Dear Sir

CINEWORLD/CITY SCREEN MERGER

I write in response to the Statement of Issues dated May 29.

I will not introduce ISBA, the Voice of British Advertisers, as we are already well-known to the CC having contributed extensively to the ITV merger enquiries of the last decade and more recently to the Global Radio/GMG acquisition inquiry.

The purpose of this short initial letter is simply to observe that the Statement of Issues does not appear to recognize the views of the advertisers whose patronage helps make cinemas viable.

Businesses operating in the towns where the CC has identified that the acquisition would lead to significantly concentrated, if not monopoly, positions in the exhibition of films might find themselves facing increased advertising costs pursuant to the merger. The businesses thus affected could be both local and also bigger chains with local branches, franchisees or joint venture partners.

This is a comparable line of argument to admissions pricing, where it is feared that a merged business might seek to increase ticket prices in the absence of effective local competition.

We noted the CC's keen focus on local impacts in its recent inquiry into the Global Radio/Guardian Media Group, and would imagine that it might want to pursue a similar line of enquiry in this case.

As ever, we would be happy to provide further comment and information as required.

Yours faithfully

Bob Wootton
Director of Media & Advertising