

From: Newsam, Hugh
Sent: 20 August 2013 22:38
To: CineworldCityScreen
Cc:
Subject: Concern over Cambridge Cineworld / Picture House Decision

Dear Competition Commission,

Today a shocked hush descended over Cambridge. The main topic of conversation in the Siemens office in Cambridge was "They can't close the Picture House can they?"... moreover we don't want Cineworld to go too as it has far better projection than the VUE, plus you can get an Ultimate Card for unlimited viewings or use Tescos points that we do as a family.

However the main concern is the potential forced sale of the Picture House. The programming and the experience of going to both cinemas is totally different. Where would I be able to go and see the restored version for Dial M for Murder in 3D in Cambridge and be able to take in a glass of wine into the cinema?

I would be very interested in how you measure this so called competition. I have highlighted in red the area I would like more information on. I would like to see evidence that looked at the % of people that went to both cinemas and also the overlap in programming as % of total films shown. I am personally not interested in the price of pop corn etc, though I am interested in the fact that the Picture house has a cool bar that serves nice food and snacks I can eat before I see a film.

I would also like to see evidence that shows that makes you believe that the Picture house could be sold as a going concern and NOT have to raise prices. Surely the fact that it is part of the Picture House / Cieneworld group is how it can afford to do what it does.

I, along with many others will be lodging a complaint with our PM, this preliminary decision makes no sense and makes me wonder what evidence was actually used and how it was obtained. Maybe I missed it but I don't remember any opportunity to meet the competition commission at the Cambridge theatre.

We first considered all local areas where both parties have cinemas. Through a filtering process that primarily involved identifying the number of cinemas under different ownership in the vicinity of the parties' cinemas, we identified nine local areas which we considered merited further investigation. **Using a range of evidence and analytical tools, we studied the nature of the competitive process in each area and in particular the extent to which the parties' cinemas competed with each other prior to the transaction and the extent to which other cinemas in these areas exerted a competitive constraint on the parties.** We also considered whether any expected loss of competition could be mitigated by the timely entry of a new cinema exhibitor. We provisionally conclude that the transaction may be expected to lead to a sub-substantial lessening of competition (SLC) in the markets for cinema exhibition services in three local areas: Aberdeen, Bury St Edmunds and Cambridge.

Regards,

Hugh Newsam