

**From:** PENELOPE CARTER  
**Sent:** 27 August 2013 15:06  
**To:** CineworldCityScreen  
**Cc:** SebastianCarter  
**Subject:** Response to provisional findings of enquiry

We write with respect to the Commission's preliminary findings into the acquisition of City Screen (Picturehouse) by Cineworld. We are long-standing members of Picturehouse (Arts Picturehouse, Cambridge; APH), and have never perceived there to be any competition between the Cineworld and APH in Cambridge. Whereas Cineworld shows almost exclusively mainstream feature films, the main focus of APH programming is films that could only expect very limited distribution in the UK: foreign language films, including films from countries where film-making is still in its infancy, e.g. Iran, low-budget independent films, documentaries, shorts, local films.

Consequently, the Commission's conclusion that the merger will lead to a 'substantial lessening of competition', and to a consequent increase in the price of cinema tickets in Cambridge, seems to be based on the wholly mistaken premise that the merger will lead to a change in the competitive situation. Both before and after the merger, Cambridge has had only one 'art house' cinema, its pricing determined by its audience profile.

This of course assumes that Cineworld will continue to honour its commitment to operate Picturehouse independently of its Cineworld chain and to retain Picturehouse's established business ethos, but there seems no reason to doubt this, given that Cineworld's avowed aim to diversify and expand its audience base.

Moreover, the Commission's decision to ignore so-called 'ancillary services' in its assessment of the competition situation does not reflect the actual situation in Cambridge. Membership of Picturehouse cannot be compared to the 'memberships', or rather the subscription benefits, offered by the commercial chains, which are purely financial. Our experience of Picturehouse is limited to the APH, but that cinema provides an ambience that is entirely different from that of either Cineworld or Vue in Cambridge. The APH programming attracts a regular audience, and Picturehouse members are rewarded by surprise previews (sometimes free and sometimes attended by film makers); its excellent brochures and website offer the cineaste as well as the occasional filmgoer an excellent (even educational) overview of contemporary and classic films; and overall there is a 'club' atmosphere, enhanced by the public areas and the bar and café facilities. The use of the APH for film showings by the University of Cambridge, the University of the Third Age, etc., and of course by the highly regarded Cambridge Film Festival, serves to make it a focus for all those in Cambridge with a serious interest in film, who may, or may not, also be interested in 'commercial' cinema. It is difficult to envisage, as the Commission suggests, that there are 'other options' that could deliver a comparable experience.

Finally, in taking into account travel times to the three cinemas in Cambridge, the Commission failed to take account that 'drive time' is a very fallible measure. The APH is in the traditional centre of Cambridge, within the 'University precinct' and close to other city centre attractions, and is more easily accessible by all means of transport (including the infirm who need to use taxis) than either Vue or Cineworld.

The Commission concludes that there are viable alternatives that would secure the future of the APH other than to be part of the merger between Cineworld and Picturehouse, but that can only be a hypothesis, whilst with the merger the financial viability of APH in its present form would seem to be secure. The risk of loss of the APH, a real possibility if the Commission decides there is a SLC, is causing untold concern among the community of cinema goers in Cambridge as well as further afield. I would urge you to take account of the following responses to your preliminary findings as two examples of this if you have not done so already:

<http://www.takeonecff.com/2013/picturehouses-the-competition-commission>

<http://movieevangelist.wordpress.com/2013/08/21/the-cineworld-picturehouse-competition-commision-decision-my-interim-findings/>

Penelope and Sebastian Carter