

**COMPLETED ACQUISITION BY VUE ENTERTAINMENT INTERNATIONAL
LIMITED OF APOLLO CINEMAS LIMITED**

**UNDERTAKINGS GIVEN BY VUE ENTERTAINMENT INTERNATIONAL LIMITED
TO THE OFFICE OF FAIR TRADING PURSUANT TO
SECTION 73 OF THE ENTERPRISE ACT 2002**

WHEREAS:

- (a) Vue Entertainment International Limited (**Vue**) acquired, indirectly via Vue's wholly owned subsidiary Treganna Bidco Limited, control of the businesses of Apollo Cinemas Limited (**Apollo**) on 10 May 2012.
- (b) The Office of Fair Trading (**OFT**) believes that, as a consequence of that transaction, a relevant merger situation has been created in the UK.
- (c) The OFT has a duty to refer a completed merger to the Competition Commission (**CC**) for further investigation where it believes that it is or may be the case that the creation of that merger situation has resulted or may be expected to result in a substantial lessening of competition within any market or markets in the UK for goods or services.
- (d) Under section 73 of the Enterprise Act 2002 (the **Act**) the OFT may, instead of making such a reference and for the purpose of remedying, mitigating or preventing the substantial lessening of competition or any adverse effect which has or may have resulted from it or may be expected to result from it, accept undertakings to take such action as it considers appropriate, from such of the parties concerned as it considers appropriate. In particular, the OFT shall have regard to the need to achieve as comprehensive a solution as is reasonable and practicable to the substantial lessening of competition and any adverse effects resulting from it.
- (e) The OFT considers that, in the absence of appropriate undertakings, it would be under a duty to refer the acquisition of Apollo by Vue to the CC.
- (f) The OFT further considers that the undertakings given below by Vue are appropriate to remedy, mitigate or prevent the substantial lessening of competition, or any adverse effect which has or may have resulted from it, or may be expected to result from it, as specified in the OFT's decision of 24 August 2012 under section 22 of the Act (the **Decision**).

NOW THEREFORE Vue hereby gives to the OFT the following undertakings for the purpose of remedying, mitigating or preventing the substantial lessening of competition, or any adverse effect which has or may have resulted from it, or may be expected to result from it.

1. EFFECTIVE DATE OF THE UNDERTAKINGS

These undertakings shall take effect from the date that, having been signed by Vue, they are accepted by the OFT.

2. DIVESTMENT OF THE DIVESTMENT BUSINESSES

- 2.1. Vue shall, prior to the acceptance of these undertakings by the OFT, enter into a legally binding agreement (or agreements) to divest, to the satisfaction of the OFT, each of the Divestment Businesses as a going concern to the Proposed Purchaser on terms approved by the OFT in advance of acceptance of these undertakings.
- 2.2. Without prejudice to the generality of paragraph 2.1 above, Vue shall use all reasonable endeavours to ensure the transfer of Key Staff with the divestment of the Divestment Businesses.
- 2.3. Vue shall be deemed to have complied with the obligation at paragraph 2.1 above if, prior to the acceptance of these undertakings by the OFT, it has entered into a legally binding agreement or agreements with the Proposed Purchaser, conditional on formal OFT approval of the Proposed Purchaser and acceptance of these undertakings, provided that the completion of the divestment of each of the Divestment Businesses contemplated by such agreement or agreements takes place within a period not exceeding three months from the date these undertakings take effect.
- 2.4. Without prejudice to the generality of paragraph 2.1 above, Vue shall take the following measures to the extent they may be necessary in the opinion of the OFT to effect the sale of the Divestment Businesses in accordance with the provisions of these undertakings:
 - (a) the transfer or vesting of property, assets, rights, personnel, liabilities or obligations (including without prejudice any contracts, licences, authorisations, permits or consents);

- (b) the adjustment of contracts, whether by discharge or reduction or assignment of any liability or obligation or otherwise;
- (c) the creation, allotment, transfer, surrender or cancellation of any shares, stock or securities; and
- (d) the formation or winding up of a company,

provided that, for the avoidance of doubt, nothing in this paragraph 2.4 shall be interpreted as (i) preventing or precluding Vue from using any Apollo (or similar) brand used to denote branches, or (ii) requiring Vue to transfer or licence any such brand to a third party.

- 2.5. Vue shall ensure that each sale and purchase agreement entered into for the purposes of paragraph 2.1 above includes a warranty that the Proposed Purchaser has the financial resources, expertise (including the managerial, operational and technical capability), incentive and intention to maintain and operate the relevant Divestment Business as part of a viable and active business in competition with Vue and other competitors in the provision of cinema exhibition services .
- 2.6. In the event that Vue fails to complete the divestment of one or more of the Divestment Businesses in accordance with paragraph 2.1 above, the OFT may, whether or not initiating the Trustee Functions as set out in paragraphs 4.1 to 4.7 below, require Vue to divest each and any of those Divestment Businesses as a going concern at no minimum price to a purchaser approved by the OFT.

3. APPROVAL OF PURCHASER AND TERMS OF DIVESTMENT

- 3.1. For the purposes of the OFT approving the Proposed Purchaser and the terms of the divestment of the Divestment Businesses, Vue shall, save as required or permitted by the OFT, satisfy the OFT that:
 - (a) the acquisition by the Proposed Purchaser remedies, mitigates or prevents the substantial lessening of competition concerned or any adverse effect which has or may have resulted from it, or may be expected to result from it, in particular, having regard to the need to achieve as comprehensive a solution as is reasonable and practicable to the substantial lessening of competition and any adverse effects resulting from it;

- (b) the Proposed Purchaser is independent of and unconnected to Vue and the Group of Interconnected Bodies Corporate to which Vue belongs and any Associated Person or Affiliate of Vue or such Group of Interconnected Bodies Corporate;
- (c) the Proposed Purchaser has the financial resources, expertise (including the managerial, operational and technical capability) incentive and intention to maintain and operate each of the Divestment Businesses it is proposing to purchase as part of a viable and active business in competition with Vue and other competitors in the provision of cinema exhibition services;
- (d) the Proposed Purchaser is reasonably to be expected to obtain all necessary approvals, licences and consents from any regulatory or other authority including landlord's consent to the transfer of any leasehold interest; and
- (e) the acquisition by the Proposed Purchaser of the Divestment Businesses does not create a realistic prospect of a substantial lessening of competition within any market or markets in the UK.

3.2. The OFT may require Vue to provide it with such information and documentation as it may reasonably require to satisfy the OFT that the Proposed Purchaser will fulfil the requirements set out in paragraph 3.1 above.

4. APPOINTMENT OF A TRUSTEE

4.1. The provisions of paragraph 4.2 to paragraph 4.7 below shall apply only as long as Vue has not satisfied, or where the OFT has reasonable grounds for believing that Vue will not satisfy, all or any part of the obligation to divest the Divestment Businesses in accordance with paragraph 2.1 to paragraph 2.6 above.

4.2. Within 15 Working Days of the OFT notifying Vue in writing that it must do so, Vue shall propose to the OFT for approval:

- (a) the names of at least two individuals to exercise the Trustee Functions; and
- (b) the full terms of a mandate in accordance with which the Trustee shall carry out the Trustee Functions.

- 4.3. Vue and/or any individuals nominated pursuant to paragraph 4.2 shall satisfy the OFT that, save as required or permitted by the OFT:
- (a) such nominated individuals possess the necessary qualifications to carry out their mandates, and employees or partners of an investment bank, retail bank, building society or law firm or accountancy firm with an established reputation either nationwide or in a substantial part of the UK or in another EU member state;
 - (b) such nominated individuals are each independent of Vue and of the Group of Interconnected Bodies Corporate to which Vue belongs and of any Associated Person or Affiliate of Vue or of such Group of Interconnected Bodies Corporate and of any Proposed Purchaser and, in the reasonable opinion of Vue , are appropriate to be appointed as Trustee; and
 - (c) such nominated individuals neither are, nor are likely to become, exposed, either directly or indirectly, to a conflict of interest that impairs or may be likely to impair their objectivity or independence in discharging the Trustee Functions.
- 4.4. Within 20 Working Days of the OFT approving, at its discretion, one or more of the persons nominated by Vue and their proposed mandates pursuant to paragraph 4.2 above, and subject to any modifications the OFT deems necessary for the Trustee to carry out the Trustee Functions, Vue shall use its best endeavours to appoint from the persons so approved one person to carry out the Trustee Functions in accordance with the mandate approved by the OFT pursuant to paragraph 4.2.
- 4.5. In the event that:
- (a) Vue fails to propose any person or persons in accordance with paragraph 4.2 above; or
 - (b) none of the persons proposed by Vue pursuant to paragraph 4.2 is approved by the OFT; or
 - (c) Vue is unable for any reason to appoint within the time limit stipulated in paragraph 4.4 any such person following approval by the OFT,

Vue shall use its best endeavours to appoint from persons nominated by the OFT one person to carry out the Trustee Functions on the terms of a mandate approved by the OFT. Vue shall use its best endeavours to make such appointment within seven Working Days of receiving the nominations from the OFT.

4.6. The appointment of the Trustee pursuant to paragraph 4.4 or paragraph 4.5 shall be irrevocable unless:

- (a) a conflict of interest that impairs or may be likely to impair the objectivity or independence of the Trustee in discharging the Trustee Functions arises;
- (b) the Trustee ceases to perform the Trustee Functions; or
- (c) the OFT is otherwise satisfied that there is good cause for the appointment to be terminated in advance of the satisfactory fulfilment of the Trustee Functions.

4.7. In the event that the appointment of the Trustee is terminated in accordance with paragraph 4.6 above, Vue shall, if requested to do so in writing by the OFT, use its best endeavours to appoint from persons nominated by the OFT one person to carry out the Trustee Functions in accordance with such mandate as is approved by the OFT. Vue shall use its best endeavours to make such appointment within seven Working Days of receiving the nominations from the OFT. Where required by the OFT, the outgoing Trustee shall continue as Trustee until a new Trustee is in place and a full handover of all relevant information has taken place.

5. THE MANDATE

The terms of the mandate proposed by Vue pursuant to paragraph 4.2 above shall, as a minimum, contain all provisions necessary to enable the Trustee to carry out the Trustee Functions including, without limitation to the generality of this paragraph:

- (a) an exclusive, irrevocable mandate to sell any of the Divestment Businesses as required by paragraph 6.1 below to a purchaser or purchasers approved in writing in advance by the OFT at no minimum price and on such reasonable terms and conditions as the Trustee considers appropriate to effect an expedient sale;

- (b) a mandate to take any other steps necessary for, or incidental to, the Trustee's mandate under subparagraph (a) above;
- (c) a comprehensive power of attorney to the Trustee (including the authority to grant sub-powers of attorney to the Trustee's officers, employees and agents) to enable it to take all steps necessary or appropriate to effect the sale of such Divestment Businesses;
- (d) a mandate to comply with any orders and/or directions given by the OFT; and
- (e) a mandate to appoint at Vue's expense such advisers as the Trustee reasonably considers necessary or appropriate in connection with the performance of the Trustee Functions.

6. FUNCTIONS OF TRUSTEE

- 6.1. The Trustee shall seek to procure, within such period as may be specified in writing by the OFT, the completion of the sale of the Divestment Businesses at no minimum price, to a purchaser or purchasers approved by the OFT in accordance with paragraph 6.3 below.
- 6.2. Without prejudice to the generality of paragraph 6.1, the Trustee shall take any of the measures set out in paragraph 2.4 above in relation to the Divestment Businesses to the extent to which such measures may be necessary to effect the divestment of the Divestment Businesses in accordance with that provision.
- 6.3. The Trustee shall not sell or permit the divestment of the Divestment Businesses to the Proposed Purchaser unless it has obtained the OFT's prior written approval in respect of the identity of that Proposed Purchaser. The Trustee shall notify the OFT of the identity of a Proposed Purchaser as soon as reasonably practicable prior to the signing of a legally enforceable agreement and in any event at least 20 Working Days in advance of the proposed completion of the proposed sale and purchase agreement in question.
- 6.4. Pending the divestment of the Divestment Businesses pursuant to paragraph 6.1 above, the Trustee shall monitor Vue's compliance with its obligations under paragraph 7.1 and paragraph 7.2 of these undertakings and shall promptly take such measures as it considers necessary to ensure such compliance, as well as reporting in writing to the OFT, if the

Trustee concludes on reasonable grounds that Vue is failing or will fail to comply with such obligations.

6.5. The Trustee may give written directions to Vue to take such steps as may be specified or described in the directions for the purpose of securing Vue's compliance with its obligations under these undertakings or enabling the Trustee to carry out the Trustee Functions. The Trustee may not require Vue to:

- (a) offer any reverse premium or similar inducement to a purchaser; or
- (b) accept any actual or contingent liability towards a purchaser or otherwise in connection with the divestment of the Divestment Businesses which would be unusual in scope, duration or financially, having regard to the price and usual market practice in relation to similar disposals.

6.6. The Trustee shall, as soon as reasonably practicable, comply at all times with any reasonable instructions or written directions made by the OFT for the purposes of carrying out or securing compliance with the undertakings (or any matter incidental thereto) and shall provide to the OFT such information and reports in relation to the carrying out of the Trustee Functions as the OFT may require. The Trustee shall promptly report in writing to the OFT if the Trustee concludes on reasonable grounds that Vue is failing to comply with any of its obligations under these undertakings.

6.7. For the purpose of fulfilling the Trustee Functions, the Trustee shall not be bound by instructions of Vue nor shall the Trustee Functions be extended or varied in any way by Vue save with the prior express written consent of the OFT.

7. OBLIGATIONS OF VUE FOLLOWING APPOINTMENT OF TRUSTEE

7.1. Vue shall not give any instruction or request to the Trustee which conflicts with the Trustee Functions.

7.2. Vue shall take all such steps as are reasonably necessary to enable the Trustee to carry out the Trustee Functions, including but not limited to:

- (a) complying with such written directions as the Trustee may from time to time give pursuant to paragraph 6.5 above; and

- (b) providing the Trustee with all such assistance and information as it may reasonably require in carrying out the Trustee Functions.

8. REMUNERATION OF TRUSTEE

Vue shall pay the Trustee a reasonable remuneration for the services it provides in carrying out the Trustee Functions, and shall pay the Trustee in a way that does not impede the independent and effective fulfilment of the Trustee Functions, which shall be set out in the Trustee's mandate referred to in clause 5 above.

9. INTERIM ACTION

- 9.1. Pending the completion of the divestment of each of the Divestment Businesses to the satisfaction of the OFT in accordance with the provisions of these undertakings, save as otherwise agreed in advance in writing by the OFT, Vue shall minimise as far as possible any risk of loss of competitive potential of the Divestment Businesses and in particular ensure that:
 - (a) without accepting any duty to make any substantial capital investment additional to investment arrangements in place at the time of the Acquisition, each of the Divestment Businesses is maintained as a going concern and sufficient resources are made available for the development of each of the Divestment Businesses on the basis of its pre-merger plans;
 - (b) except in the ordinary course of business, no substantive changes are made to the organisational structure of the Divestment Businesses or the management responsibilities within the Divestment Businesses;
 - (c) the Divestment Businesses are maintained and preserved, including facilities and goodwill;
 - (d) the nature, description, range and standard of goods and services currently supplied by the Divestment Businesses are maintained and preserved;
 - (e) the Divestment Businesses continue to operate separately and under a separate brand identity from the Vue business, and separate sales of the Vue business are maintained;

- (f) except in accordance with clause 2 or clause 6 above, no assets of the Divestment Businesses are disposed of, and no Interest in such assets is created or disposed of, other than in the ordinary course of business;
- (g) to the extent it has not already occurred, there is no integration of the information technology used by Vue with that used by the Divestment Businesses and the software and hardware platforms of the Divestment Businesses shall remain essentially unchanged, except for routine changes and maintenance (and other than to the extent necessary to enable Vue to maintain the Divestment Businesses as a going concern pursuant to these undertakings);
- (h) all reasonable steps are taken to encourage all Key Staff to remain with the Divestment Businesses; and
- (i) to the extent it has not already occurred and except as detailed below, no Confidential Information relating to the Divestment Businesses shall pass, directly or indirectly from the Divestment Businesses (or any employees, directors, agents or Affiliates of the Divestment Businesses) to Vue (or any of its employees, directors, agents or Affiliates), or vice versa, except where strictly necessary in the ordinary course of business or in any of the following circumstances:
 - (i) the transfer of aggregated financial information about the Divestment Businesses to Vue's senior management to monitor and review the financial performance of the Divestment Businesses provided that such accounting information is not passed on to any other person within Vue;
 - (ii) the transfer of any information required in connection with Vue's dealings with the OFT; and
 - (iii) any steps necessary in order for Vue to comply with these undertakings,

provided that, upon divestment of any of the Divestment Businesses, any records or copies (electronic or otherwise) of Confidential Information held by Vue in relation to the Divestment Businesses (or vice versa) shall be returned to the relevant business and any copies destroyed.

9.2. At all times, Vue will actively keep the OFT informed of any material developments relating to the Divestment Businesses, which includes, but is not limited to:

- (a) details of Key Staff who leave the Divestment Businesses;
- (b) substantial customer volumes lost by the Divestment Businesses;
and
- (c) substantial changes in the Divestment Businesses' contractual arrangements or relationships with key suppliers.

10. CONTINUED SEPARATION

10.1. Except with the prior written consent of the OFT, following the divestment of a Divestment Business, Vue or any member of the Group of Interconnected Bodies Corporate to which Vue belongs:

- (a) shall not, directly or indirectly, hold, acquire, re-acquire or use:
 - (i) any Interest in that Divestment Business;
 - (ii) any Interest in any company carrying on or having Control of that Divestment Business (other than any investments made in the ordinary course of the operation of any of the employee benefit and pension schemes of Vue or of any members of the Group of Interconnected Bodies Corporate to which Vue belongs of not more than three per cent in aggregate of the issued equity share capital in any such company, whose shares are listed or dealt with on any recognised investment exchange, which carries no more than three per cent of the voting rights exercisable at meetings of such company); or
 - (iii) other than in the ordinary course of business, any of the assets of that Divestment Business;
- (b) shall procure that no employee or director of Vue or of any member of the Group of Interconnected Bodies Corporate to which Vue belongs, for as long as they are an employee or director of Vue or of any member of the Group of Interconnected Bodies Corporate to which Vue belongs, holds or is nominated to any directorship or managerial position in that Divestment Business or any company or

other undertaking utilising or having Control of that Divestment Business without the OFT's prior written consent;

- (c) shall not participate in the formulation of, or (other than in the ordinary course of business) influence or attempt to influence, the policy of that Divestment Business or any company or other undertaking carrying on or having Control of that Divestment Business; and
- (d) shall not enter into or carry out any agreement or arrangement with any person, if the carrying out of the agreement or arrangement is intended to result or will result in any Associated Person or Affiliate of Vue or of any member of the Group of Interconnected Bodies Corporate to which Vue belongs directly or indirectly acquiring that Divestment Business or doing any of the things listed in subparagraphs 10.1(a), 10.1(b) and 10.1(c) above.

10.2. Where Vue (or any member of the Group of Interconnected Bodies Corporate to which Vue belongs) divests a Divestment Business by way of granting a sub-lease and remains the landlord of the purchaser of the Divestment Business, then for the duration of the sub-lease, Vue shall within 10 Working Days of being requested to do so (unless agreed otherwise by the OFT):

- (a) consent to any matter requiring landlord's approval under the terms of the lease between Vue and the purchaser of the Divestment Business (except where Vue is required to obtain such consent from another person); and/or
- (b) pass on any request for consent to the freehold owner of the property or relevant third party, as appropriate.

11. NEW DIVESTMENT IF VUE OBTAINS POSSESSION OF A DIVESTMENT BUSINESS PROPERTY

11.1. In the event that, following divestment of a Divestment Business in a manner that has involved Vue assigning an existing lease or granting a sub-lease to the purchaser of the Divestment Business, Vue benefits from or becomes subject to an Occupation Interest (so long as Vue so benefits or becomes so subject during the term of the lease assigned or sub-lease granted by Vue as part of such divestment), Vue shall:

- (a) within 10 Working Days of becoming aware that it is so benefitting or is so subject inform the OFT in writing of that fact; and
- (b) using its best endeavours and acting in good faith comply with such written directions as the OFT may give to Vue to effect a new divestment of the Occupation Interest to a new purchaser approved by the OFT in accordance with the provisions of these undertakings, provided always that such written directions must be of a similar nature to those contained in these undertakings with regard to the original divestment of the Divestment Business.

11.2. In determining, for the purposes of subparagraph 11.1(b), whether to require Vue to effect a new divestment of the Occupation Interest to a new purchaser approved by the OFT in accordance with the provisions of these undertakings, the OFT may have regard to any change of circumstances since the Decision.

11.3. In the event that Vue fails to divest the Occupation Interest in accordance with paragraph 11.1 above, the OFT may, whether or not initiating the Trustee Functions set out in these undertakings, require Vue to divest the Occupation Interest at no minimum price to a purchaser approved by the OFT.

11.4. Vue shall notify the OFT in writing of the identity of each proposed purchaser that makes an offer for the Occupation Interest together with the value and terms of such offers as soon as reasonably practicable following the receipt of such offers and in any event within 10 Working Days of receipt of such offers.

11.5. In the event that the OFT gives written directions under paragraph 11.1 for Vue to effect a new divestment of the Occupation Interest, clauses 3, 4, 5, 6, 7, 8 and 9 shall apply to the new divestment in the same way that they applied to the original divestment obligation save that references to 'Divestment Business' in those paragraphs shall be construed as references to 'Occupation Interest'.

12. COMPLIANCE

12.1. Vue shall comply promptly with such written directions as the OFT may from time to time give:

- (a) to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these undertakings; or
- (b) to do or refrain from doing anything so specified or described which it might be required by these undertakings to do or to refrain from doing.

12.2. Vue shall co-operate fully with the OFT when the OFT is:

- (a) monitoring compliance with the provisions of these undertakings; and
- (b) investigating potential breaches of the provisions of these undertakings.

12.3. Vue shall procure that any member of the same Group of Interconnected Bodies Corporate as Vue complies with these undertakings as if it had given them and actions and omissions of the members of the same Group of Interconnected Bodies Corporate as Vue shall be attributed to Vue for the purposes of these undertakings.

12.4. Where any Affiliate of Vue is not a member of the same Group of Interconnected Bodies Corporate as Vue, Vue shall use its best endeavours to procure that any such Affiliate shall comply with these undertakings as if it had given them.

13. PROVISION OF INFORMATION

Vue shall furnish promptly to the OFT such information as the OFT considers necessary in relation to or in connection with the implementation and/or enforcement of and/or the compliance with these undertakings, including for the avoidance of doubt, any Confidential Information.

14. EXTENSION OF TIME LIMITS

The OFT may, in response to a written request from Vue, or otherwise at its own discretion, grant an extension to any time period referred to in these undertakings.

15. INTERPRETATION

15.1. The Interpretation Act 1978 shall apply to these undertakings as it does to Acts of Parliament.

15.2. References in these undertakings to any English law term for any legal status, interest, concept or thing shall in respect of any jurisdiction other than England and Wales be deemed to include what most nearly approximates in that jurisdiction to the English law term.

15.3. In these undertakings the word "including" shall mean including without limitation or prejudice to the generality of any description, definition, term or phrase preceding that word and the word "include" and its derivatives shall be construed accordingly.

15.4. For the purposes of these undertakings:

"Acquisition" means the acquisition by Vue, indirectly via Vue's wholly owned subsidiary Treganna Bidco Limited, of control of the business of Apollo on 10 May 2012;

"the Act" means the Enterprise Act 2002;

"Affiliate" of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

"Apollo" means Apollo Cinemas Limited and all brands under which it operates cinema exhibition services;

"Associated Person" means a person or persons associated with Vue within the meaning of section 127(4) of the Act and includes any Subsidiary of such a person or persons;

"**business**" has the meaning given by section 129(1) and (3) of the Act;

"**CC**" means the Competition Commission;

"**Confidential Information**" means any business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature;

"**Control**" shall be construed in accordance with section 26 of the Act, and in the case of a body corporate, a person shall be deemed to Control it if he holds, or has an interest in, shares of that body corporate amounting to 10 per cent or more of its issued share capital or carrying an entitlement to vote at meetings of that body corporate of 10 per cent or more of the total number of votes which may be cast at such meetings;

"**Decision**" means the OFT's decision under section 22 of the Act dated 24 August 2012 in connection with the Acquisition;

"**divestment**" shall include, in addition to the sale of freehold property, the transfer of a leasehold interest or the grant of a long lease on normal commercial terms of not less than 25 years in duration and the word "divest" and its derivatives shall be construed accordingly; and "purchase", "purchaser", "acquire" and "acquisition" and "attempted divestment" shall be construed to include both freehold and leasehold transactions;

"**Divestment Business**" means the Apollo cinemas in each of (i) Burnley (at BB11 2EG), (ii) Fareham (at PO16 0BX), (iii) Morecambe (at LA4 4DW) and Port Talbot (at SA12 7PE), comprising, in respect of each such business, the whole or substantially the whole of the rights, assets, interests and obligations of or associated with that business as operated immediately prior to the date of the Acquisition, including without prejudice to the foregoing, save as required or permitted by the OFT:

- (a) where capable of being transferred, all or substantially all tangible and intangible assets which contribute to the current operation or are necessary to ensure the viability or competitiveness of the business;

- (b) where capable of being transferred, all or substantially all licences, permits, consents and authorisations issued by any governmental or regulatory organisation for the benefit of the business;
- (c) where capable of being transferred, all customer orders of or associated with the business; and
- (d) all customer, credit and other records of the business,

provided that where any of those assets, licences and/or contracts listed in (a) to (c) above are not used exclusively in relation to a particular Divestment Business, the only requirement shall be to seek to provide the benefit of such assets, licences and/or orders in connection with that business, if required to do so by the Proposed Purchaser and subject to any restrictions which may apply;

"Divestment Business Property" means the relevant property associated with each of the Divestment Businesses as at the date of these undertakings;

"Group of Interconnected Bodies Corporate" has the meaning given in section 129(2) of the Act; references to a Group of Interconnected Bodies Corporate shall be to the Group of Interconnected Bodies Corporate as constituted from time to time;

"Interest" includes shares, an interest in shares and any other interest carrying an entitlement to vote at shareholders' meetings; and for this purpose "an interest in shares" includes an entitlement by a person other than the registered holder, to exercise any right conferred by the holding of these shares or an entitlement to Control the exercise of such right;

"Key Staff" means staff in positions of executive or managerial responsibility and/or whose performance affects the viability of any of the Divestment Businesses;

"Occupation Interest" means an interest in the Divestment Business Property by virtue of which Vue enjoys an unconditional right or is under an unconditional obligation to occupy the Divestment Business Property provided always that: (i) the original purchaser (or his successor) is not in occupation of the Divestment Business Property; and/or (ii) before such interest in the Divestment Business Property arose, the most recent use

to which the Divestment Business Property had been put was that of providing cinema exhibition services;

"**OFT**" means the Office of Fair Trading;

"**Proposed Purchaser**" means a proposed purchaser for a Divestment Business;

"**Subsidiary**" shall be construed in accordance with section 1159 of the Companies Act 2006 (as amended), unless otherwise stated;

"**Trustee**" means the person appointed pursuant to paragraph 4.4, paragraph 4.5 or paragraph 4.7 to carry out the Trustee Functions;

"**Trustee Functions**" means the functions set out in clause 6;

"**UK**" means the United Kingdom of Great Britain and Northern Ireland;

"**Vue**" means Vue Entertainment International Limited and all brands under which it operates cinema exhibition services;

"**Working Day**" means any day of the week other than a Saturday or a Sunday or any day that is a public holiday in England;

unless the context requires otherwise, the singular shall include the plural and vice versa.

FOR AND ON BEHALF OF VUE ENTERTAINMENT INTERNATIONAL LIMITED

..... Signature
..... Name
..... Title
..... Date

Authorised Signatory