

ACQUISITION BY AMC (UK) ACQUISITION LIMITED OF ODEON AND UCI CINEMAS HOLDINGS LIMITED

Initial Enforcement Order made by the Competition and Markets Authority pursuant to section 72(2) of the Enterprise Act 2002 (the Act)

Whereas:

- (a) the Competition and Markets Authority (CMA) has reasonable grounds for suspecting that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in AMC (UK) Acquisition Limited and Odeon and UCI Cinemas Holdings Limited ceasing to be distinct;
- (b) the CMA is considering whether to make a reference under section 22 or 33 of the Act;
- (c) the CMA wishes to ensure that no action is taken pending final determination of any reference under sections 22 or 33 of the Act which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference; and
- (d) the circumstances set out in section 72(6) of the Act do not apply and the reference has not been finally determined in accordance with section 79(1) of the Act.

Now for the purposes of preventing pre-emptive action in accordance with section 72(2) of the Act the CMA makes the following order addressed to Dalian Wanda Group Co. Ltd (**Dalian**), AMC (UK) Acquisition Limited (**AMC**), and Odeon and UCI Cinemas Holdings Limited (**Odeon**) (**Order**).

Commencement, application and scope

1. This Order commences on the commencement date: 29 November 2016.
2. This Order applies to Dalian, AMC and Odeon.
3. Notwithstanding any other provision of this Order, no act or omission shall constitute a breach of this Order, and nothing in this Order shall oblige Dalian,

AMC or Odeon to reverse any act or omission, in each case to the extent that it occurred or was completed prior to the commencement date.

4. This Order does not prohibit the completion of the transaction provided that Dalian, AMC or Odeon observe the restrictions set out below.

Management of the AMC Manchester and Odeon Manchester businesses until determination of proceedings

5. Except with the prior written consent of the CMA, Dalian, AMC and Odeon shall not, during the specified period, take any action which might prejudice a reference of the transaction under section 22 or 33 of the Act or impede the taking of any action under the Act by the CMA which may be justified by the CMA's decisions on such a reference, including any action which might:
 - (a) lead to the integration of the Odeon Manchester businesses with the AMC Manchester business;
 - (b) transfer the ownership or control of the AMC Manchester business or the Odeon Manchester businesses or any of their subsidiaries; or
 - (c) otherwise impair the ability of the Odeon Manchester businesses or the AMC Manchester business to compete independently in any of the markets affected by the transaction.
6. Further and without prejudice to the generality of paragraph 5 and subject to paragraph 3 and 4, Dalian, AMC and Odeon shall at all times during the specified period procure that, except with the prior written consent of the CMA:
 - (a) the Odeon Manchester businesses is carried on separately from the AMC Manchester business and each of the Odeon Manchester businesses' and AMC Manchester business's separate sales or brand identity is maintained;
 - (b) the Odeon Manchester businesses and the AMC Manchester business are maintained as a going concern and sufficient resources are made available for the development of the Odeon Manchester businesses and the AMC Manchester business, on the basis of their respective pre-merger business plans;
 - (c) except in the ordinary course of business, no substantive changes are made to the organisational structure of, or the management responsibilities within, the Odeon Manchester businesses or the AMC Manchester business;

- (d) the nature, description, range and quality of goods and/or services supplied in the United Kingdom (**UK**) by each of the Odeon Manchester and AMC Manchester businesses is maintained and preserved;
- (e) except in the ordinary course of business for the separate operation of the Odeon Manchester and AMC Manchester businesses:
 - (i) all of the assets of the Odeon Manchester businesses and the AMC Manchester business are maintained and preserved, including facilities and goodwill;
 - (ii) none of the assets of the Odeon Manchester businesses or the AMC Manchester business are disposed of; and
 - (iii) no interest in the assets of the Odeon Manchester businesses or the AMC Manchester business is created or disposed of;
- (f) there is no integration of the information technology of the Odeon Manchester or AMC Manchester businesses, and the software and hardware platforms of the Odeon Manchester businesses shall remain essentially unchanged, except for routine changes and maintenance of the customer and supplier lists of the Odeon Manchester and AMC Manchester businesses shall be operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to each of the Odeon Manchester businesses will be carried out by that Odeon Manchester business alone and for the avoidance of doubt the AMC Manchester business will not negotiate on behalf of the Odeon Manchester businesses (and vice versa) or enter into any joint agreements with either of the Odeon Manchester businesses (and vice versa);
- (g) all existing contracts of the Odeon Manchester businesses and the AMC Manchester business continue to be serviced by the business to which they were awarded;
- (h) no changes are made to key staff of the Odeon Manchester businesses or AMC Manchester business;
- (i) no key staff are transferred between either of the Odeon Manchester businesses and between either of the Odeon Manchester businesses and the AMC Manchester business;
- (j) all reasonable steps are taken to encourage all key staff to remain with the Odeon Manchester businesses and the AMC Manchester business; and

(k) no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the Odeon Manchester businesses and AMC Manchester business shall pass, directly or indirectly: from the Odeon Manchester businesses (or any of their employees, directors, agents or affiliates) to the AMC Manchester business (or any of its employees, directors, agents or affiliates); or vice versa, except where strictly necessary in the ordinary course of business (for example, where required for compliance with external regulatory and/or accounting obligations); or between the Odeon Manchester businesses (or any of their employees, directors, agents or affiliates); and on the basis that, should the transaction be prohibited, any records or copies (electronic or otherwise) of such information that have passed, wherever they may be held, will be returned to the business to which they relate and any copies destroyed.

Compliance

7. Dalian, AMC and Odeon shall procure that each of their subsidiaries complies with this Order as if the Order had been issued to each of them.
8. Dalian, AMC and Odeon shall provide to the CMA such information or statement of compliance as it may from time to time require for the purposes of monitoring compliance by Dalian, AMC and Odeon and their subsidiaries with this Order. In particular, on 2 December 2016 and subsequently every two weeks (or, where this does not fall on a working day, the first working day thereafter) the Chief Executive Officer of Dalian and AMC and the Chief Executive Officer of Odeon or other persons of Dalian, AMC and Odeon as agreed with the CMA shall, on behalf of each of Dalian, AMC and Odeon, provide a statement to the CMA in the form set out in the Annex to this Order confirming compliance with this Order.
9. At all times, Dalian, AMC and Odeon shall actively keep the CMA informed of any material developments relating to the Odeon Manchester businesses or the AMC Manchester business, which includes but is not limited to:
 - (a) details of key staff who leave or join the Odeon Manchester businesses or the AMC Manchester business;
 - (b) any interruption of the Odeon Manchester or AMC Manchester business (including without limitation its procurement, production, logistics, sales and employee relations arrangements) that has prevented it from operating in the ordinary course of business for more than 24 hours;

- (c) all substantial customer volumes won or lost or substantial changes to the customer contracts for the Odeon Manchester businesses or AMC Manchester business including any substantial changes in customers' demand; and
 - (d) substantial changes in the Odeon Manchester businesses' or AMC Manchester business's contractual arrangements or relationships with key suppliers.
10. If Dalian, AMC or Odeon has any reason to suspect that this Order might have been breached it shall immediately notify the CMA and any monitoring trustee that Dalian, AMC or Odeon may be directed to appoint under paragraph 11.
 11. The CMA may give directions to a specified person or to a holder of a specified office in any body of persons (corporate or unincorporated) to take specified steps for the purpose of carrying out, or ensuring compliance with, this Order, or do or refrain from doing any specified action in order to ensure compliance with the Order. The CMA may vary or revoke any directions so given.
 12. Dalian, AMC and Odeon shall comply in so far as they are able with such directions as the CMA may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with this Order.

Interpretation

13. The Interpretation Act 1978 shall apply to this Order as it does to Acts of Parliament.
14. For the purposes of this Order:

'the AMC Manchester business' means the business of AMC in Manchester carried on from its site at The Great Northern, 235 Deansgate, Manchester M3 4EN as at the commencement date;

'the Act' means the Enterprise Act 2002;

'an 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 from time to time 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;

'AMC' means AMC (UK) Acquisition Limited with registered company number of 10246724

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

'commencement date' means 29 November 2016;

'control' includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on an enterprise;

'Dalian' means Dalian Wanda Group Co. Ltd and its subsidiaries carried on as at the commencement date

'the decisions' means the decisions of the CMA on the questions which it is required to answer by virtue of section 35 of the Act;

'key staff' means staff in positions of executive or managerial responsibility and/or whose performance affects the viability of the business;

'the ordinary course of business' means matters connected to the day-to-day supply of goods and/or services by the Odeon Manchester businesses or the AMC Manchester business and does not include matters involving significant changes to the organisational structure or related to the post-merger integration of the Odeon Manchester businesses and the AMC Manchester business ;

'specified period' means the period beginning on the commencement date and terminating in accordance with section 72(6) of the Act;

'subsidiary', unless otherwise stated, has the meaning given by section 1159 of the Companies Act 2006;

'the transaction' means the transaction by which AMC and Odeon have ceased to be distinct within the meaning of section 23 of the Act;

'Odeon' means Odeon and UCI Cinemas Holdings Limited with registered company number of 06170611;

'the Odeon Manchester businesses' means the businesses of Odeon in Manchester carried on from its sites Odeon Printworks at 27 Withy Grove, Manchester M4 2BS and Odeon Trafford Centre at intu Trafford Centre, The Trafford Centre, Stretford, Manchester M17 8DF as at the commencement date;

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

A. Ziso

Alba Ziso
Assistant Director, Mergers

Compliance statement for Dalian Wanda Group Co. Ltd/AMC (UK) Acquisition Limited

I [insert name] confirm on behalf of Dalian Wanda Group Co. Ltd (**Dalian**)/AMC (UK) Acquisition Limited (**AMC**) that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) Dalian/AMC has complied with the Order made by the CMA in relation to the transaction on 29 November 2016 (the Order).
 - (b) Dalian/AMC's subsidiaries have also complied with this Order.
2. Subject to paragraph 3 and 4 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Dalian/AMC that might prejudice a reference of the transaction under section 22 or 33 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Odeon Manchester businesses with the AMC Manchester business;
 - (ii) transfer the ownership or control of the AMC Manchester business or the Odeon Manchester businesses or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Odeon Manchester businesses or the AMC Manchester business to compete independently in any of the markets affected by the transaction.
 - (b) The Odeon Manchester businesses have been carried on separately from the AMC Manchester business and each of the Odeon Manchester businesses' and AMC Manchester's separate sales or brand identities have been maintained.
 - (c) The Odeon Manchester businesses and the AMC Manchester business have been maintained as a going concern and sufficient resources have been made available for the development of the Odeon Manchester businesses and the AMC Manchester business, on the basis of their respective pre-merger business plans.

- (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, the Odeon Manchester businesses or the AMC Manchester business, except in the ordinary course of business.
- (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Odeon Manchester businesses and the AMC Manchester business have been maintained and preserved.
- (f) Except in the ordinary course of business for the separate operation of the businesses:
 - (i) all of the assets of the Odeon Manchester businesses and the AMC Manchester business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Odeon Manchester businesses or the AMC Manchester business have been disposed of; and
 - (iii) no interest in the assets of the Odeon Manchester businesses or the AMC Manchester business has been created or disposed of.
- (g) There has been no integration of the information technology of the Odeon Manchester or AMC Manchester businesses, and the software and hardware platforms of the Odeon Manchester businesses have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to each of the Odeon Manchester businesses have been carried out by that Odeon Manchester business alone and, for the avoidance of doubt, the AMC Manchester business has not negotiated on behalf of the Odeon Manchester businesses (and vice versa) or entered into any joint agreements with either of the Odeon Manchester businesses (and vice versa).
- (i) All existing contracts of the Odeon Manchester businesses and the AMC Manchester business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Odeon Manchester businesses or the AMC Manchester business.

- (k) No key staff have been transferred between the Odeon Manchester businesses and the AMC Manchester business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Odeon Manchester businesses and the AMC Manchester business.
- (m) Except as permitted by the Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to the businesses, has passed, directly or indirectly, from either of the Odeon Manchester businesses (or any of their employees, directors, agents or affiliates) to the AMC Manchester business (or any of its employees, directors, agents or affiliates), or vice versa.
- (n) Except as listed in paragraph (o) below, there have been no:
 - (i) key staff that have left or joined the Odeon Manchester businesses or the AMC Manchester business;
 - (ii) interruptions of the Odeon Manchester businesses or the AMC Manchester business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented them from operating in the ordinary course of business for more than 24 hours;
 - (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Odeon Manchester businesses or the AMC Manchester business; or
 - (iv) substantial changes in the Odeon Manchester or AMC Manchester businesses' contractual arrangements or relationships with key suppliers.

(o) *[list of material developments]*

3. Dalian/AMC and its subsidiaries remain in full compliance with the Order and will continue actively to keep the CMA informed of any material developments relating to the Odeon Manchester or the AMC Manchester businesses in accordance with paragraph 9 of the Order.

Interpretation

4. Terms defined in the Order have the same meaning in this compliance statement.

FOR AND ON BEHALF OF DALIAN/AMC

Signature

Name

Title

Date

Compliance statement for Odeon and UCI Cinemas Holdings Limited

I [insert name] confirm on behalf of Odeon and UCI Cinemas Holdings Limited (Odeon) that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) Odeon has complied with the Order made by the CMA in relation to the transaction on 29 November 2016 (the Order).
 - (b) Odeon's subsidiaries have also complied with this Order.
2. Subject to paragraph 3 and 4 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Odeon that might prejudice a reference of the transaction under section 22 or 33 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Odeon Manchester businesses with the AMC Manchester business;
 - (ii) transfer the ownership or control of the AMC Manchester business or the Odeon Manchester businesses or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Odeon Manchester businesses or the AMC Manchester business to compete independently in any of the markets affected by the transaction.
 - (b) The Odeon Manchester businesses have been carried on separately from the AMC Manchester business and each of the Odeon Manchester businesses' separate sales or brand identity has been maintained.
 - (c) The Odeon Manchester businesses and the AMC Manchester business have been maintained as a going concern and sufficient resources have been made available for the development of the Odeon Manchester businesses and the AMC Manchester business, on the basis of their respective pre-merger business plans.

- (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, each of the Odeon Manchester businesses, except in the ordinary course of business.
- (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Odeon Manchester businesses have been maintained and preserved.
- (f) Except in the ordinary course of business for the separate operation of the businesses:
 - (i) all of the assets of the Odeon Manchester businesses, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Odeon Manchester businesses have been disposed of; and
 - (iii) no interest in the assets of the Odeon Manchester businesses has been created or disposed of.
- (g) There has been no integration of the information technology of the Odeon Manchester or AMC Manchester businesses, and the software and hardware platforms of the Odeon Manchester businesses have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to each of the Odeon Manchester businesses have been carried out by that Odeon Manchester business alone and, for the avoidance of doubt, the AMC Manchester business has not negotiated on behalf of the Odeon Manchester businesses (and vice versa) or entered into any joint agreements with either of the Odeon Manchester businesses (and vice versa).
- (i) All existing contracts of the Odeon Manchester businesses and the AMC Manchester business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Odeon Manchester businesses.

- (k) No key staff have been transferred between the Odeon Manchester businesses and the AMC Manchester business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Odeon Manchester businesses.
- (m) Except as permitted by the Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to any of the businesses, has passed, directly or indirectly, from the Odeon Manchester businesses (or any of their employees, directors, agents or affiliates) to the AMC Manchester business (or any of its employees, directors, agents or affiliates), or vice versa.
- (n) Except as listed in paragraph (o) below, there have been no:
 - (i) key staff that have left or joined the Odeon Manchester businesses;
 - (ii) interruptions of the Odeon Manchester businesses (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented them from operating in the ordinary course of business for more than 24 hours;
 - (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Odeon Manchester businesses; or
 - (iv) substantial changes in the Odeon Manchester businesses' contractual arrangements or relationships with key suppliers.
- (o) *[list of material developments]*

3. Odeon and its subsidiaries remain in full compliance with the Order and will continue actively to keep the CMA informed of any material developments relating to the Odeon Manchester or the AMC Manchester businesses in accordance with paragraph 9 of the Order.

Interpretation

4. Terms defined in the Order have the same meaning in this compliance statement.

FOR AND ON BEHALF OF ODEON

Signature

Name

Title

Date