



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN REGAL CINEMAS' MERGER WITH CONSOLIDATED THEATRES

Divestitures Will Preserve Competition for First-Run Movie Theaters in Three North Carolina Metropolitan Areas

WASHINGTON – The Department of Justice announced today that it will require Regal Cinemas Inc. (Regal) and Consolidated Theatres Holding GP (Consolidated) to divest movie theater assets in three North Carolina metropolitan areas in order to proceed with their proposed \$210 million merger. The Department said that the transaction, as originally proposed, would substantially lessen competition among first-run commercial movie theaters in areas of Charlotte, Raleigh, and Asheville, N.C., resulting in higher ticket prices and decreased quality viewing experience for moviegoers.

The Department's Antitrust Division filed a civil lawsuit today in U.S. District Court in Washington, D.C. to block the proposed acquisition. At the same time, the Department filed a proposed settlement that, if approved by the court, would resolve the lawsuit and the Department's competitive concerns.

"The divestitures will ensure that moviegoers in the affected areas of Charlotte, Raleigh and Asheville will continue to enjoy the benefits of competition," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

The divestitures are required to assure continued competition in markets where the transaction would otherwise result in a significant loss of competition. According to the complaint, movie theaters owned by Regal and Consolidated compete, or soon will compete, head-to-head in each of the three North Carolina areas in which divestitures are required. Under the terms of the proposed settlement, Regal and Consolidated must divest the following movie theaters: the Crown Point 12 in Charlotte; the Raleigh Grand 16 in Raleigh; the Town Square 10 in Garner (a suburb of Raleigh); and the Hollywood 14 in Asheville.

Regal Cinemas Inc., a Tennessee corporation with its headquarters in Knoxville, Tenn., owns or operates 540 theaters containing more than 6,400 screens in 39 states and the District of Columbia. In 2007, Regal reported revenues of approximately \$2.6 billion.

Consolidated, a North Carolina partnership, owns or operates 28 theaters containing 400 screens in Georgia, Maryland, North Carolina, South Carolina, Tennessee and Virginia. In 2007, Consolidated reported revenues of approximately \$144 million.

As required by the Tunney Act, the proposed settlement and the Department's competitive impact statement will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to John R. Read, Chief, Litigation III Section, Antitrust Division, U.S. Department of Justice, 450 5th Street N.W., Suite 4000, Washington, D.C. 20530, 202-307-0468. At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the proposed settlement upon finding that it serves the public interest.

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