



# Department of Justice

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## **JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN AMC'S ACQUISITION OF KERASOTES THEATERS**

### ***Divestitures Will Preserve Movie Theater Competition in Chicago, Denver and Indianapolis Metropolitan Areas***

WASHINGTON The Department of Justice announced today that it will require AMC Entertainment Group Inc. to divest movie theater assets in Chicago, Denver and Indianapolis in order to proceed with its proposed \$275 million acquisition of most of the theaters operated by Kerasotes Showplace Theatres. The department said that the transaction, as originally proposed, would likely substantially lessen competition among movie theaters that show first-run, commercial movies in the Chicago, Denver and Indianapolis metropolitan areas, resulting in higher ticket prices and decreased quality viewing experience for moviegoers.

The Department of Justice's Antitrust Division filed a civil lawsuit today in U.S. District Court in Washington 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 states of Illinois, Colorado and Indiana joined the division's enforcement action.

Under the terms of the proposed settlement, AMC must divest the following movie theaters: AMC Gardens 13 and Kerasotes Glen 10 (North Suburban Chicago); AMC Cantera 30 (Upper Southwest Suburban Chicago); Kerasotes Showplace 12 Bolingbrook (Lower Southwest Suburban Chicago); Kerasotes Colony Square 12 (Upper Northwest Denver); Kerasotes Olde Town 14 (Lower Northwest Denver); AMC Castleton Square 14 or Kerasotes Showplace 12 Glendale Town (North Indianapolis); and AMC Greenwood 14 (South Indianapolis).

In addition, for the next 10 years, AMC must inform the Antitrust Division if it proposes to acquire movie theatre assets in those markets.

AMC, a Kansas City-based company, operates 304 U.S. theaters housing 4,574 screens, most of which are located in megaplexes (units with more than 14 screens and stadium seating). AMC had U.S. revenues of approximately \$2.26 billion in 2009.

Based in Chicago, Kerasotes develops, owns and operates Kerasotes ShowPlace Theatres LLC throughout the United States, with most locations in the Midwest. The privately held

company operates 96 movie theaters with 973 screens in the United States and earned revenue of approximately \$327.7 million in 2009.

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, United States Department of Justice, 450 5<sup>th</sup> Street, N.W., Suite 4000, Washington, D.C. 20530 (telephone: 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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