

AMC Entertainment Inc.
Reconciliation of Non-GAAP financial measures
to comparable GAAP measures

	Thirteen Weeks Ended July 3, 2003	Thirteen Weeks Ended October 2, 2003	Thirteen Weeks Ended January 1, 2004	Thirteen Weeks Ended April 1, 2004	Fifty-two Weeks Ended April 1, 2004
Adjusted EBITDA Reconciliation (in thousands)					
Net earnings (loss)	\$ 10,491	\$ 4,598	\$ 5,207	\$ (31,010)	\$ (10,714)
Loss from discontinued operations, net of tax benefit	330	260	3,241	-	3,831
Interest expense	18,299	19,140	18,765	21,513	77,717
Income tax provision (benefit)	10,470	5,530	11,900	(16,900)	11,000
Depreciation and amortization	28,462	28,752	32,405	34,953	124,572
Impairment of long-lived assets	-	-	-	16,272	16,272
Investment income	(651)	(611)	(461)	(1,138)	(2,861)
Stock-based compensation expense	293	876	533	7,025	8,727
Theatre and other closure expense	618	1,116	2,078	256	4,068
Disposition of assets and other gains	-	(1,956)	(525)	(109)	(2,590)
Preopening expense	1,042	389	1,734	693	3,858
Other Expense	-	-	-	13,947	13,947
Adjusted EBITDA	<u>\$ 69,354</u>	<u>\$ 58,094</u>	<u>\$ 74,877</u>	<u>\$ 45,502</u>	<u>\$ 247,827</u>
After Tax Cash Flow and Free Cash Flow Reconciliations (in thousands)					
Net cash provided by (used in) operating activities	\$ 43,334	\$ 14,222	\$ 127,933	\$ (2,211)	\$ 183,278
Disposition of assets and other gains	-	1,956	525	109	2,590
Loss on sale-discontinued operations	-	-	(5,591)	-	(5,591)
Changes in working capital items and other	(3,583)	18,963	(61,510)	19,299	(26,831)
Deferred taxes excluding benefit for impairment of long-lived assets	(490)	(900)	(23,200)	4,817	(19,773)
After tax cash flow	<u>\$ 39,261</u>	<u>\$ 34,241</u>	<u>\$ 38,157</u>	<u>\$ 22,014</u>	<u>\$ 133,673</u>
Less net capital expenditures	<u>\$ 24,159</u>	<u>\$ 19,115</u>	<u>\$ 29,362</u>	<u>\$ (41,536)</u>	<u>\$ 31,100</u>
Free cash flow	<u>\$ 15,102</u>	<u>\$ 15,126</u>	<u>\$ 8,795</u>	<u>\$ 63,550</u>	<u>\$ 102,573</u>
Net Capital Expenditures Reconciliation (in thousands)					
Net cash provided by (used) in investing activities	\$ (31,119)	\$ (19,305)	\$ (63,484)	\$ 44,530	\$ (69,378)
Acquisition of GC Companies, Inc., net of cash acquired and proceeds from sale of venture capital investments	-	-	-	2,075	2,075
Acquisition of Gulf States Theatres	-	-	-	-	-
Acquisition of MegaStar Theatres	-	-	13,049	325	13,374
Payment on disposal-discontinued operations	-	-	5,252	-	5,252
Purchase of leased furniture, fixtures and equipment	-	-	15,812	-	15,812
Proceeds from disposition of long-term assets	(503)	(514)	(929)	(7,343)	(9,289)
Other, net	7,463	704	938	1,949	11,054
Net capital expenditures	<u>\$ (24,159)</u>	<u>\$ (19,115)</u>	<u>\$ (29,362)</u>	<u>\$ 41,536</u>	<u>\$ (31,100)</u>