

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

	<u>Thirteen Weeks Ended June 27, 2002</u>	<u>Thirteen Weeks Ended September 26, 2002</u>	<u>Thirteen Weeks Ended December 26, 2002</u>	<u>Fourteen Weeks Ended April 3, 2003</u>	<u>Fifty-three Weeks Ended April 3, 2003</u>
Adjusted EBITDA Reconciliation (in thousands)					
Net earnings (loss)	\$ (86)	\$ (6,192)	\$ 1,520	\$ (24,788)	\$ (29,546)
Loss from discontinued operations, net of tax benefit	389	209	128	358	1,084
Interest expense	19,467	19,321	18,120	20,892	77,800
Income tax provision (benefit)	(5,850)	15,350	(2,200)	2,700	10,000
Depreciation and amortization	29,429	31,980	31,830	33,755	126,994
Impairment of long-lived assets	-	-	-	19,563	19,563
Investment income	(1,002)	(783)	(738)	(979)	(3,502)
Stock-based and special compensation expense	19,759	503	504	495	21,261
Theatre and other closure expense	(229)	1,459	4,066	120	5,416
(Gain) loss on disposition of assets	(186)	(1,236)	390	(353)	(1,385)
Preopening expense	797	451	1,630	349	3,227
Adjusted EBITDA	<u>\$ 62,488</u>	<u>\$ 61,062</u>	<u>\$ 55,250</u>	<u>\$ 52,112</u>	<u>\$ 230,912</u>
After Tax Cash Flow and Free Cash Flow Reconciliations (in thousands)					
Net cash provided by operating activities	\$ 37,645	\$ 8,502	\$ 67,726	\$ 14,874	\$ 128,747
(Gain) loss on disposition of assets	186	1,236	(390)	353	1,385
Changes in working capital items and other	(3,538)	29,458	(35,276)	7,524	(1,832)
Deferred taxes excluding benefit for impairment of long-lived assets	6,100	(12,900)	1,800	(1,188)	(6,188)
After tax cash flow	<u>\$ 40,393</u>	<u>\$ 26,296</u>	<u>\$ 33,860</u>	<u>\$ 21,563</u>	<u>\$ 122,112</u>
Less net capital expenditures	<u>\$ 20,423</u>	<u>\$ 9,362</u>	<u>\$ 6,786</u>	<u>\$ 16,411</u>	<u>\$ 52,982</u>
Free cash flow	<u>\$ 19,970</u>	<u>\$ 16,934</u>	<u>\$ 27,074</u>	<u>\$ 5,152</u>	<u>\$ 69,130</u>
Net Capital Expenditures Reconciliation (in thousands)					
Net cash used in investing activities	\$ (60,745)	\$ (23,675)	\$ (21,517)	\$ (31,264)	\$ (137,201)
Acquisition of GC Companies, Inc., net of cash acquired and proceeds from sale of venture capital investments	42,355	3,898	1,156	(95)	47,314
Acquisition of Gulf States Theatres	-	701	37	14	752
Purchase of leased furniture, fixtures and equipment	2,858	4,194	-	-	7,052
Proceeds from disposition of long-term assets	(1,101)	(2,237)	(1,539)	(617)	(5,494)
Other, net	(3,790)	6,353	(1,374)	3,794	4,983
Construction project costs reimbursed by landlord for financing activities	-	1,404	16,451	11,757	29,612
Net capital expenditures	<u>\$ (20,423)</u>	<u>\$ (9,362)</u>	<u>\$ (6,786)</u>	<u>\$ (16,411)</u>	<u>\$ (52,982)</u>