

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

	<u>Thirteen Weeks Ended January 1, 2004</u>	<u>Thirteen Weeks Ended April 1, 2004</u>	<u>Thirteen Weeks Ended July 1, 2004</u>	<u>Thirteen Weeks Ended September 30, 2004</u>	<u>Fifty-two Weeks Ended September 30, 2004</u>
Adjusted EBITDA Reconciliation (in thousands)					
Net earnings (loss)	\$ 5,207	\$ (31,010)	\$ 15,888	\$ (6,708)	\$ (16,623)
Loss from discontinued operations, net of tax benefit	3,241	-	-	-	3,241
Interest expense	18,765	21,513	18,513	25,389	84,180
Income tax provision (benefit)	11,900	(16,900)	13,900	400	9,300
Depreciation and amortization	32,405	34,953	31,365	30,987	129,710
Impairment of long-lived assets	-	16,272	-	-	16,272
Investment income	(461)	(1,138)	(791)	(2,207)	(4,597)
Stock-based compensation expense	533	7,025	2,636	2,709	12,903
Theatre and other closure expense	2,078	256	(219)	10,540	12,655
Disposition of assets and other gains	(525)	(109)	(2,295)	(100)	(3,029)
Preopening expense	1,734	693	433	548	3,408
Other expense	-	13,947	-	-	13,947
Adjusted EBITDA	<u>\$ 74,877</u>	<u>\$ 45,502</u>	<u>\$ 79,430</u>	<u>\$ 61,558</u>	<u>\$ 261,367</u>
After Tax Cash Flow and Free Cash Flow Reconciliations (in thousands)					
Net cash provided by (used in) operating activities	\$ 127,933	\$ (2,211)	\$ 69,126	\$ 6,338	\$ 201,186
Disposition of assets and other gains (losses)	525	109	(15)	(11)	608
Loss on sale-discontinued operations	(5,591)	-	-	-	(5,591)
Changes in working capital items and other	(61,510)	19,299	(6,053)	17,381	(30,883)
Deferred taxes excluding benefit for impairment of long-lived assets	(23,200)	4,817	(13,169)	3,280	(28,272)
Cash portion of preferred dividends	-	-	(4,193)	(5,156)	(9,349)
After tax cash flow	<u>\$ 38,157</u>	<u>\$ 22,014</u>	<u>\$ 45,696</u>	<u>\$ 21,832</u>	<u>\$ 127,699</u>
Less net capital expenditures	<u>\$ 29,362</u>	<u>\$ (41,536)</u>	<u>\$ 29,143</u>	<u>\$ 22,770</u>	<u>\$ 39,739</u>
Free cash flow	<u>\$ 8,795</u>	<u>\$ 63,550</u>	<u>\$ 16,553</u>	<u>\$ (938)</u>	<u>\$ 87,960</u>
Net Capital Expenditures Reconciliation (in thousands)					
Net cash provided by (used) in investing activities	\$ (63,484)	\$ 44,530	\$ (28,006)	\$ (645,577)	\$ (692,537)
Increase in restricted cash	-	-	-	625,812	625,812
Acquisition of GC Companies, Inc., net of cash acquired and proceeds from sale of venture capital investments	-	2,075	-	-	2,075
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	(929)	(7,343)	(19)	(64)	(8,355)
Other, net	936	1,949	(1,118)	(2,941)	(1,172)
Net capital expenditures	<u>\$ (29,362)</u>	<u>\$ 41,536</u>	<u>\$ (29,143)</u>	<u>\$ (22,770)</u>	<u>\$ (39,739)</u>