

**Regal Entertainment Group Reports Results for Third Quarter 2008 and Declares Quarterly Dividend  
October 23, 2008**

**Regal Entertainment Group  
Consolidated Statements of Income Information  
For the Fiscal Quarters Ended 9/25/08 and 9/27/07**

(in millions, except per share data)  
(unaudited)

	Quarter Ended <u>Sept. 25, 2008</u>	Quarter Ended <u>Sept. 27, 2007</u>	Three Quarters Ended <u>Sept. 25, 2008</u>	Three Quarters Ended <u>Sept. 27, 2007</u>
Revenues				
Admissions	\$516.8	\$515.8	\$1,404.5	\$1,400.4
Concessions	209.6	210.9	564.6	576.6
Other operating revenues	<u>31.2</u>	<u>26.2</u>	<u>91.1</u>	<u>84.3</u>
Total revenues	757.6	752.9	2,060.2	2,061.3
Operating expenses				
Film rental and advertising costs	282.0	279.4	744.9	749.8
Cost of concessions	30.4	29.3	78.6	82.2
Rent expense	94.1	85.6	267.4	249.9
Other operating expenses	197.2	183.8	546.3	524.9
General and administrative expenses (including share-based compensation expense of \$1.4 million and \$1.1 million for the quarters ended Sept. 25, 2008 and Sept. 27, 2007, respectively, and \$4.3 million and \$4.6 million for the three quarters ended Sept. 25, 2008 and Sept. 27, 2007, respectively)	15.5	15.3	46.3	48.1
Depreciation and amortization	51.1	45.6	147.3	138.0
Net loss (gain) on disposal and impairment of operating assets	11.5	(3.6)	16.0	(0.8)
Joint venture equity including former employee compensation	<u>0.1</u>	<u>0.1</u>	<u>0.4</u>	<u>3.8</u>
Income from operations	75.7	117.4	213.0	265.4
Interest expense, net	29.0	27.8	88.7	84.3
Gain on NCM transaction	-	-	-	(350.7)
Gain on sale of Fandango interest	-	(0.3)	-	(28.6)
Earnings recognized from NCM	(7.1)	(7.1)	(21.4)	(9.3)
Minority interest in earnings of consolidated subsidiaries and other	0.6	0.2	1.8	0.4
Loss on debt extinguishment	<u>-</u>	<u>-</u>	<u>70.5</u>	<u>-</u>
Income before income taxes	53.2	96.8	73.4	569.3
Provision for income taxes	<u>21.6</u>	<u>38.8</u>	<u>31.0</u>	<u>229.5</u>
Net income	<u>\$31.6</u>	<u>\$58.0</u>	<u>\$42.4</u>	<u>\$339.8</u>
Diluted earnings per share	\$0.21	\$0.36	\$0.28	\$2.13
Adjusted earnings per diluted share <sup>(1)</sup>	\$0.21	\$0.36	\$0.56	\$0.71
Weighted average number of diluted shares outstanding	153.8	160.5	153.8	159.3

**Consolidated Summary Balance Sheet Information**

(dollars in millions)  
(unaudited)

	As of <u>Sept. 25, 2008</u>	As of <u>December 27, 2007</u>
Cash and cash equivalents	\$113.1	\$435.2
Total assets	2,557.5	2,634.9
Total debt	2,024.4	1,965.5
Stockholders' deficit	(223.7)	(119.3)

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**Operating Data**

(unaudited)

	Quarter Ended	
	<u>Sept. 25, 2008</u>	<u>Sept. 27, 2007</u>
Theatres at period end	551	526
Screens at period end	6,782	6,355
Average screens per theatre	12.3	12.1
Attendance (in thousands)	66,813	69,251
Average ticket price	\$7.74	\$7.45
Average concessions per patron	\$3.14	\$3.05

**Reconciliation of EBITDA to Net Cash Provided by (Used in) Operating Activities**

(dollars in millions)

(unaudited)

	Quarter Ended	
	<u>Sept. 25, 2008</u>	<u>Sept. 27, 2007</u>
EBITDA	\$133.3	\$170.2
Interest expense, net	(29.0)	(27.8)
Provision for income taxes	(21.6)	(38.8)
Deferred income taxes	(1.7)	0.7
Changes in operating assets and liabilities	(125.7)	(74.0)
Gain on sale of Fandango interest	-	(0.3)
Other items, net	<u>15.3</u>	<u>0.1</u>
Net cash provided by (used in) operating activities	<u><u>\$(29.4)</u></u>	<u><u>\$30.1</u></u>

**Reconciliation of EBITDA to Adjusted EBITDA**

(dollars in millions)

(unaudited)

	Quarter Ended	
	<u>Sept. 25, 2008</u>	<u>Sept. 27, 2007</u>
EBITDA	\$133.3	\$170.2
Gain on sale of Fandango interest	-	(0.3)
Net loss (gain) on disposal and impairment of operating assets	11.5	(3.6)
Share-based compensation expense	1.4	1.1
Joint venture employee compensation	0.1	0.1
Minority interest and other, net	<u>0.6</u>	<u>0.2</u>
Adjusted EBITDA <sup>(2)</sup>	<u><u>\$146.9</u></u>	<u><u>\$167.7</u></u>

**Free Cash Flow**

(dollars in millions)

(unaudited)

	Quarter Ended	
	<u>Sept. 25, 2008</u>	<u>Sept. 27, 2007</u>
Net cash provided by (used in) operating activities	\$(29.4)	\$30.1
Capital expenditures	(28.5)	(24.2)
Proceeds from asset sales	<u>0.3</u>	<u>21.1</u>
Free cash flow <sup>(2)</sup>	<u><u>\$(57.6)</u></u>	<u><u>\$27.0</u></u>

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**Reconciliation to Diluted Earnings Per Share and Net Income**

*(dollars in millions, except per share data)*

*(unaudited)*

	<u>Quarter Ended</u>	
	<u>Sept. 25, 2008</u>	<u>Sept. 27, 2007</u>
Net income	\$31.6	\$58.0
Gain on sale of Fandango interest, net of related tax effects	<u>-</u>	<u>(0.2)</u>
Net income, excluding gain on sale of Fandango interest, net of related tax effects	\$31.6	\$57.8
Weighted average number of diluted shares	153.8	160.5
Adjusted earnings per diluted share <sup>(1)</sup>	\$0.21	\$0.36
Diluted earnings per share	\$0.21	\$0.36

- (1) We have included adjusted earnings per diluted share, which is diluted earnings per share excluding loss on debt extinguishment, net of related tax effects, gain on sale of Fandango interest, net of related tax effects and gain on NCM transaction, net of related tax effects, because we believe it provides investors with a useful industry comparative and is a financial measure used by management to assess the performance of our Company.
- (2) Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization expense, gain on sale of Fandango interest, net loss (gain) on disposal and impairment of operating assets, share-based compensation expense, joint venture employee compensation and minority interest and other, net) was approximately \$146.9 million, or 19.4% of total revenues, for the quarter ended September 25, 2008. We believe EBITDA, Adjusted EBITDA and Free Cash Flow provide useful measures of cash flows from operations for our investors because EBITDA, Adjusted EBITDA and Free Cash Flow are industry comparative measures of cash flows generated by our operations and because they are financial measures used by management to assess the liquidity of our Company. EBITDA, Adjusted EBITDA and Free Cash Flow are not measurements of liquidity under U.S. generally accepted accounting principles and should not be considered in isolation or construed as a substitute for other operations data or cash flow data prepared in accordance with U.S. generally accepted accounting principles for purposes of analyzing our liquidity. In addition, not all funds depicted by EBITDA, Adjusted EBITDA and Free Cash Flow are available for management's discretionary use. For example, a portion of such funds are subject to contractual restrictions and functional requirements to pay debt service, fund necessary capital expenditures and meet other commitments from time to time as described in more detail in the Company's 2007 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2008. EBITDA, Adjusted EBITDA and Free Cash Flow, as calculated, may not be comparable to similarly titled measures reported by other companies.