

*Regal Entertainment Group Reports Results for Fourth Quarter 2008*

**Regal Entertainment Group**  
**Consolidated Statements of Income Information**  
**For the Fiscal Quarters and Four Quarters Ended 01/01/09 and 12/27/07**

*(in millions, except per share data)*

*(unaudited)*

	Quarter Ended		Four Quarters Ended	
	Jan. 1, 2009	Dec. 27, 2007	Jan. 1, 2009	Dec. 27, 2007
Revenues				
Admissions	\$478.6	\$404.1	\$1,883.1	\$1,804.5
Concessions	193.4	158.4	758.0	735.0
Other operating revenues	<u>39.7</u>	<u>37.4</u>	<u>130.8</u>	<u>121.7</u>
Total revenues	711.7	599.9	2,771.9	2,661.2
Operating expenses				
Film rental and advertising costs	245.5	207.7	990.4	957.5
Cost of concessions	28.0	21.6	106.6	103.8
Rent expense	95.9	86.0	363.3	335.9
Other operating expenses	193.6	167.4	739.9	692.3
General and administrative expenses	15.8	15.0	62.1	63.1
(including share-based compensation expense of \$1.4 million and \$1.2 million for the quarters ended January 1, 2009 and December 27, 2007 respectively, and \$5.7 million and \$5.8 million for the four quarters ended January 1, 2009 and December 27, 2007, respectively)				
Depreciation and amortization	55.0	45.4	202.3	183.4
Net loss (gain) on disposal and impairment of operating assets	6.4	(0.1)	22.4	(0.9)
Joint venture equity including former employee compensation	<u>0.1</u>	<u>0.1</u>	<u>0.5</u>	<u>3.9</u>
Income from operations	71.4	56.8	284.4	322.2
Interest expense, net	35.6	28.6	124.3	112.9
Gain on NCM transaction	-	-	-	(350.7)
Gain on sale of Fandango interest	(3.4)	-	(3.4)	(28.6)
Earnings recognized from NCM	(11.5)	(9.3)	(32.9)	(18.6)
Minority interest in earnings of consolidated subsidiaries and other	0.8	0.9	2.6	1.3
Loss on debt extinguishment	<u>-</u>	<u>-</u>	<u>70.5</u>	<u>-</u>
Income before income taxes	49.9	36.6	123.3	605.9
Provision for income taxes	<u>19.8</u>	<u>13.4</u>	<u>50.8</u>	<u>242.9</u>
Net income	<u>\$30.1</u>	<u>\$23.2</u>	<u>\$72.5</u>	<u>\$363.0</u>
Earnings per diluted share	\$0.20	\$0.15	\$0.47	\$2.28
Adjusted earnings per diluted share <sup>(1)</sup>	\$0.18	\$0.15	\$0.73	\$0.86
Weighted average number of diluted shares outstanding	153.6	160.0	153.7	159.5

**Consolidated Summary Balance Sheet Information**

*(dollars in millions)*

*(unaudited)*

	As of Jan. 1, 2009	As of Dec. 27, 2007
Cash and cash equivalents	\$170.2	\$435.2
Total assets	2,599.5	2,634.9
Total debt	2,014.4	1,965.5
Stockholders' deficit	(241.3)	(119.3)

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**Operating Data**

*(unaudited)*

	Quarter Ended		Four Quarters Ended	
	Jan. 1, 2009	Dec. 27, 2007	Jan. 1, 2009	Dec. 27, 2007
Theatres at period end	552	527	552	527
Screens at period end	6,801	6,388	6,801	6,388
Average screens per theatre	12.3	12.1	12.3	12.1
Attendance (in thousands)	61,756	53,320	245,174	242,931
Average ticket price	\$7.75	\$7.58	\$7.68	\$7.43
Average concessions per patron	\$3.13	\$2.97	\$3.09	\$3.03

**Reconciliation of EBITDA to Net Cash Provided by Operating Activities**

*(dollars in millions)*

*(unaudited)*

	Quarter Ended	
	Jan. 1, 2009	Dec. 27, 2007
EBITDA	\$140.5	\$110.6
Interest expense, net	(35.6)	(28.6)
Provision for income taxes	(19.8)	(13.4)
Deferred income taxes	9.5	41.7
Changes in operating assets and liabilities	40.6	12.9
Gain on sale of Fandango interest	(3.4)	-
Other items, net	12.0	4.1
Net cash provided by operating activities	<u>\$143.8</u>	<u>\$127.3</u>

**Reconciliation of EBITDA to Adjusted EBITDA**

*(dollars in millions)*

*(unaudited)*

	Quarter Ended	
	Jan. 1, 2009	Dec. 27, 2007
EBITDA	\$140.5	\$110.6
Gain on sale of Fandango interest	(3.4)	-
(Gain) loss on disposal and impairment of operating assets	6.4	(0.1)
Share-based compensation expense	1.4	1.2
Joint venture employee compensation	0.1	0.1
Minority interest and other, net	0.8	0.9
Adjusted EBITDA <sup>(2)</sup>	<u>\$145.8</u>	<u>\$112.7</u>

**Free Cash Flow**

*(dollars in millions)*

*(unaudited)*

	Quarter Ended	
	Jan. 1, 2009	Dec. 27, 2007
Net cash provided by operating activities	\$143.8	\$127.3
Capital expenditures	(32.6)	(32.4)
Proceeds from asset sales	-	8.7
Free cash flow <sup>(2)</sup>	<u>\$111.2</u>	<u>\$103.6</u>

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

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

*(unaudited)*

	Quarter Ended		Four Quarters Ended	
	Jan. 1 2009	Dec. 27, 2007	Jan. 1, 2009	Dec. 27, 2007
Net income	\$30.1	\$23.2	\$72.5	\$363.0
Loss on debt extinguishment, net of related tax effects	-	-	42.3	-
Gain on NCM transaction, net of related tax effects	-	-	-	(209.0)
Gain on sale of Fandango interest, net of related tax effects	<u>(2.0)</u>	<u>-</u>	<u>(2.0)</u>	<u>(17.2)</u>
Net income, excluding loss on debt extinguishment, gain on NCM transaction and gain on sale of Fandango interest, net of related tax effects	<u>\$28.1</u>	<u>\$23.2</u>	<u>\$112.8</u>	<u>\$136.8</u>
Weighted average number of diluted shares	153.6	160.0	153.7	159.5
Adjusted earnings per diluted share <sup>(1)</sup>	\$0.18	\$0.15	\$0.73	\$0.86
Earnings per diluted share	\$0.20	\$0.15	\$0.47	\$2.28

- (1) We have included adjusted earnings per diluted share, which is earnings per diluted share excluding loss on debt extinguishment, net of related tax effects, gain on NCM transaction, net of related tax effects and gain on sale of Fandango interest, 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, (gain) loss on disposal and impairment of operating assets, share-based compensation expense, joint venture employee compensation and minority interest and other, net) was approximately \$145.8 million for the quarter ended January 1, 2009. 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.