

Regal Entertainment Group
Consolidated Statements of Income Information
For the Fiscal Quarters Ended 4/02/09 and 3/27/08

(in millions, except per share data)

(unaudited)

	<u>Quarter Ended</u>	
	<u>Apr. 2, 2009</u>	<u>Mar. 27, 2008</u> ⁽³⁾
Revenues		
Admissions	\$459.5	\$432.0
Concessions	179.4	166.1
Other operating revenues	<u>26.7</u>	<u>28.7</u>
Total revenues	665.6	626.8
Operating expenses		
Film rental and advertising costs	229.7	215.9
Cost of concessions	24.0	22.7
Rent expense	92.9	83.3
Other operating expenses	185.9	168.6
General and administrative expenses	15.3	15.0
(including share-based compensation expense		
of \$1.6 million and \$1.4 million for the quarters		
ended April 2, 2009 and March 27, 2008,		
respectively)		
Depreciation and amortization	49.9	46.3
Net loss on disposal and impairment of operating assets	5.4	2.2
Joint venture employee compensation	<u>-</u>	<u>0.2</u>
Income from operations	62.5	72.6
Interest expense, net	37.2	30.8
Earnings recognized from NCM	(10.6)	(8.4)
Other, net	0.2	0.6
Loss on debt extinguishment	<u>-</u>	<u>3.0</u>
Income before income taxes	35.7	46.6
Provision for income taxes	<u>14.4</u>	<u>19.1</u>
Net income	<u>\$21.3</u>	<u>\$27.5</u>
Diluted earnings per share	\$0.14	\$0.17
Adjusted earnings per diluted share ⁽¹⁾	\$0.14	\$0.18
Weighted average number of diluted shares outstanding	154.1	158.5

Consolidated Summary Balance Sheet Information

(dollars in millions)

(unaudited)

	As of <u>Apr. 2, 2009</u>	As of <u>Jan. 1, 2009</u> ⁽³⁾
Cash and cash equivalents	\$187.0	\$170.2
Total assets	2,563.0	2,595.8
Total debt	1,999.6	2,004.9
Total stockholders' deficit	(246.5)	(235.5)

Operating Data

(unaudited)

	Quarter Ended	
	<u>Apr. 2, 2009</u>	<u>Mar. 27, 2008</u>
Theatres at period end	549	525
Screens at period end	6,773	6,385
Average screens per theatre	12.3	12.2
Attendance (in thousands)	58,169	56,881
Average ticket price	\$7.90	\$7.59
Average concessions per patron	\$3.08	\$2.92

Reconciliation of EBITDA to Net Cash Provided by Operating Activities

(dollars in millions)

(unaudited)

	Quarter Ended	
	<u>Apr. 2, 2009</u>	<u>Mar. 27, 2008</u> ⁽³⁾
EBITDA	\$122.8	\$123.7
Interest expense, net	(37.2)	(30.8)
Provision for income taxes	(14.4)	(19.1)
Deferred income taxes	(1.6)	0.7
Loss on debt extinguishment	-	3.0
Changes in operating assets and liabilities	4.4	(15.0)
Other items, net	<u>14.4</u>	<u>8.7</u>
Net cash provided by operating activities	<u>\$88.4</u>	<u>\$71.2</u>

Reconciliation of EBITDA to Adjusted EBITDA

(dollars in millions)

(unaudited)

	Quarter Ended	
	<u>Apr. 2, 2009</u>	<u>Mar. 27, 2008</u> ⁽³⁾
EBITDA	\$122.8	\$123.7
Net loss on disposal and impairment of operating assets	5.4	2.2
Share-based compensation expense	1.6	1.4
Joint venture employee compensation	-	0.2
Loss on debt extinguishment	-	3.0
Other, net	<u>0.2</u>	<u>0.6</u>
Adjusted EBITDA ⁽²⁾	<u>\$130.0</u>	<u>\$131.1</u>

Free Cash Flow

(dollars in millions)

(unaudited)

	Quarter Ended	
	<u>Apr. 2, 2009</u>	<u>Mar. 27, 2008</u>
Net cash provided by operating activities	\$88.4	\$71.2
Capital expenditures	(27.9)	(24.8)
Proceeds from asset sales	<u>0.4</u>	<u>-</u>
Free cash flow ⁽²⁾	<u>\$60.9</u>	<u>\$46.4</u>

Reconciliation to Diluted Earnings Per Share and Net Income

(dollars in millions, except per share data)

(unaudited)

	Quarter Ended	
	Apr. 2, 2009	Mar. 27, 2008 ⁽³⁾
Net income	\$21.3	\$27.5
Loss on debt extinguishment, net of related tax effects	<u>-</u>	<u>1.8</u>
Net income, excluding loss on debt extinguishment	\$21.3	\$29.3
Weighted average number of diluted shares outstanding	154.1	158.5
Adjusted earnings per diluted share ⁽¹⁾	\$0.14	\$0.18
Diluted earnings per share	\$0.14	\$0.17

- (1) We have included adjusted earnings per diluted share (net income, excluding loss on debt extinguishment, net of related tax effects, divided by weighted average number of diluted shares outstanding) 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, net loss on disposal and impairment of operating assets, share-based compensation expense, joint venture employee compensation, loss on debt extinguishment and other, net) was approximately \$130.0 million for the quarter ended April 2, 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 2008 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 2, 2009. EBITDA, Adjusted EBITDA and Free Cash Flow, as calculated, may not be comparable to similarly titled measures reported by other companies.
- (3) Effective January 2, 2009, we retrospectively adopted the provisions of FASB Staff Position No. APB 14-1, *Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)* ("FSP 14-1"). Our 6¼% Convertible Senior Notes and the 3¾% Convertible Senior Notes are within the scope of FSP 14-1; therefore, we were required to retrospectively record the debt portions of the 6¼% Convertible Senior Notes and the 3¾% Convertible Senior Notes at their fair values as of the respective dates of issuance and amortize the related debt discount into interest expense over the life of each debt instrument during the periods in which the debt instruments are outstanding.

During the quarter ended March 27, 2008, we retrospectively recorded approximately \$1.1 million of non-cash interest expense (amortization of debt discount) for the 6¼% Convertible Senior Notes and the 3¾% Convertible Senior Notes. In addition, for the quarter ended March 27, 2008, amounts previously recorded for loss on debt extinguishment and provision for income taxes were retrospectively adjusted by \$(49.8) million and \$18.2 million, respectively. The resulting increase to net income from the adoption of FSP 14-1 was approximately \$30.5 million for the quarter ended March 27, 2008. In addition, the unaudited consolidated summary balance sheet information as of January 1, 2009 presented herein has been retrospectively adjusted to give effect to the adoption of FSP 14-1 as follows:

	As of January 1, 2009 (Previously Reported)	Impact of FSP 14-1 (in millions)	As of January 1, 2009 (As Revised for FSP 14-1)
Total assets	\$ 2,599.5	\$ (3.7)	\$ 2,595.8
Total debt	2,014.4	(9.5)	2,004.9
Total stockholders' deficit	(241.3)	5.8	(235.5)