

Regal Entertainment Group
Consolidated Statements of Income Information
For the Fiscal Quarters and Two Quarters Ended 7/02/09 and 6/26/08

(in millions, except per share data)

(unaudited)

	Quarter Ended		Two Quarters Ended	
	July 2, 2009	June 26, 2008 ⁽²⁾	July 2, 2009	June 26, 2008 ⁽²⁾
Revenues				
Admissions	\$541.7	\$455.7	\$1,001.2	\$887.7
Concessions	214.9	188.9	394.3	355.0
Other operating revenues	<u>32.6</u>	<u>31.2</u>	<u>59.3</u>	<u>59.9</u>
Total revenues	789.2	675.8	1,454.8	1,302.6
Operating expenses				
Film rental and advertising costs	293.4	247.0	523.1	462.9
Cost of concessions	31.7	25.5	55.7	48.2
Rent expense	95.6	90.0	188.5	173.3
Other operating expenses	195.8	180.5	381.7	349.1
General and administrative expenses	15.4	15.8	30.7	30.8
(including share-based compensation expense of \$1.0 and \$1.5 for the quarters ended July 2, 2009 and June 26, 2008, respectively, and \$2.6 and \$2.9 for the two quarters ended July 2, 2009 and June 26, 2008, respectively)				
Depreciation and amortization	50.5	49.9	100.4	96.2
Net loss on disposal and impairment of operating assets	10.5	2.3	15.9	4.5
Joint venture employee compensation	<u>-</u>	<u>0.1</u>	<u>-</u>	<u>0.3</u>
Income from operations	96.3	64.7	158.8	137.3
Interest expense, net	37.0	31.0	74.2	61.8
Earnings recognized from NCM	(8.8)	(5.9)	(19.4)	(14.3)
Other, net	0.8	0.7	1.0	1.3
Loss on debt extinguishment	<u>-</u>	<u>-</u>	<u>-</u>	<u>3.0</u>
Income before income taxes	67.3	38.9	103.0	85.5
Provision for income taxes	<u>26.9</u>	<u>14.7</u>	<u>41.3</u>	<u>33.8</u>
Net income	40.4	24.2	61.7	51.7
Noncontrolling interest, net of tax	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Net income attributable to controlling interest	<u>\$40.5</u>	<u>\$24.3</u>	<u>\$61.8</u>	<u>\$51.8</u>
Diluted earnings per share	\$0.26	\$0.16	\$0.40	\$0.33
Weighted average number of diluted shares outstanding	154.1	154.7	154.1	156.6

Consolidated Summary Balance Sheet Information

(dollars in millions)

(unaudited)

	As of July 2, 2009	As of Jan. 1, 2009 ⁽²⁾
Cash and cash equivalents	\$267.7	\$170.2
Total assets	2,647.1	2,595.8
Total debt	1,995.1	2,004.9
Total stockholders' deficit	(227.9)	(235.5)

Operating Data

(unaudited)

	Quarter Ended	
	July 2, 2009	June 26, 2008
Theatres at period end	549	551
Screens at period end	6,778	6,776
Average screens per theatre	12.3	12.3
Attendance (in thousands)	66,315	59,724
Average ticket price	\$8.17	\$7.63
Average concessions per patron	\$3.24	\$3.16

Reconciliation of EBITDA to Net Cash Provided by Operating Activities

(dollars in millions)

(unaudited)

	Quarter Ended	
	July 2, 2009	June 26, 2008 ⁽²⁾
EBITDA	\$154.9	\$119.9
Interest expense, net	(37.0)	(31.0)
Provision for income taxes	(26.9)	(14.7)
Deferred income taxes	(2.7)	(28.0)
Changes in operating assets and liabilities	41.9	30.0
Other items, net	18.2	9.1
Net cash provided by operating activities	<u>\$148.4</u>	<u>\$85.3</u>

Reconciliation of EBITDA to Adjusted EBITDA

(dollars in millions)

(unaudited)

	Quarter Ended	
	July 2, 2009	June 26, 2008 ⁽²⁾
EBITDA	\$154.9	\$119.9
Net loss on disposal and impairment of operating assets	10.5	2.3
Share-based compensation expense	1.0	1.5
Joint venture employee compensation	-	0.1
Noncontrolling interest, net of tax and other, net	0.7	0.6
Adjusted EBITDA ⁽¹⁾	<u>\$167.1</u>	<u>\$124.4</u>

Free Cash Flow

(dollars in millions)

(unaudited)

	Quarter Ended	
	July 2, 2009	June 26, 2008
Net cash provided by operating activities	\$148.4	\$85.3
Capital expenditures	(33.0)	(45.8)
Proceeds from asset sales	-	3.3
Free cash flow ⁽¹⁾	<u>\$115.4</u>	<u>\$42.8</u>

(1) 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, noncontrolling interest, net of tax and other, net) was approximately \$167.1 million for the quarter ended July 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.

(2) 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 June 26, 2008, we retrospectively recorded approximately \$1.0 million of non-cash interest expense for the 6¼% Convertible Senior Notes and the 3¾% Convertible Senior Notes. In addition, for the quarter ended June 26, 2008, amounts previously recorded for loss on debt extinguishment and provision for income taxes were retrospectively adjusted by \$(17.7) million and \$6.2 million, respectively. The resulting increase to net income attributable to controlling interest from the adoption of FSP 14-1 was approximately \$10.5 million for the quarter ended June 26, 2008. During the two quarters ended June 26, 2008, we retrospectively recorded approximately \$2.1 million of non-cash interest expense for the 6¼% Convertible Senior Notes and the 3¾% Convertible Senior Notes. In addition, for the two quarters ended June 26, 2008, amounts previously recorded for loss on debt extinguishment and provision for income taxes were retrospectively adjusted by \$(67.5) million and \$24.4 million, respectively. The resulting increase to net income attributable to controlling interest from the adoption of FSP 14-1 was approximately \$41.0 million for the two quarters ended June 26, 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)