

REGAL ENTERTAINMENT GROUP

Form 10-K/A

March 28, 2012

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**FORM 10-K/A**

Amendment No. 1

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 29, 2011

Commission file number: 001-31315

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**Regal Entertainment Group**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**02-0556934**  
(Internal Revenue Service  
Employer Identification Number)

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7132 Regal Lane  
Knoxville, TN  
(Address of principal executive offices)

37918  
(Zip Code)

Registrant's telephone number, including area code: 865/922-1123

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Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, \$.001 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

(Do not check if a smaller reporting company)

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 30, 2011, computed by reference to the price at which the registrant's Class A common stock was last sold on the New York Stock Exchange on such date was \$1,595,386,128 (129,181,063 shares at a closing price per share of \$12.35).

Shares of Class A common stock outstanding 131,563,780 shares at March 21, 2012

Shares of Class B common stock outstanding 23,708,639 shares at March 21, 2012

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**EXPLANATORY NOTE**

The Company is filing this Amendment No. 1 to its Annual Report on Form 10-K (the "Form 10-K/A") to include separate audited financial statements of National CineMedia, LLC ("National CineMedia"), pursuant to Rule 3-09 of Regulation S-X ("Rule 3-09"). The audited National CineMedia financial statements (the "National CineMedia Financial Statements") were not available at the time of filing of the Company's Annual Report on Form 10-K (the "Form 10-K"). In accordance with Rule 3-09(b)(1), the National CineMedia Financial Statements are being filed as an amendment to the Form 10-K within 90 days after the end of the Company's fiscal year.

This Form 10-K/A amends the Form 10-K solely by the addition of the National CineMedia Financial Statements to Part IV, Item 15. No attempt has been made in this Form 10-K/A to update other disclosures presented in the Form 10-K and this Form 10-K/A does not reflect events occurring after the filing of the Form 10-K or modify or update those disclosures, including the exhibits to the Form 10-K affected by subsequent events. The following sections of the Form 10-K have been amended by this Form 10-K/A:

- Part IV Item 15 Exhibits, Financial Statement Schedules

This Form 10-K/A has been signed as of a current date and all certifications of the Company's Chief Executive Officer and Chief Financial Officer are given as of a current date. Accordingly, this Form 10-K/A should be read in conjunction with our filings made with the SEC subsequent to the filing of the Form 10-K for the year ended December 29, 2011, including any amendments to those filings.

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**REGAL ENTERTAINMENT GROUP**

**PART IV**

**Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

(a)

The following documents are filed as a part of Amendment No. 1 to this report on Form 10-K:

(2) Financial Statement Schedules:

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(3) Exhibits: The following exhibits are filed as part of Amendment No. 1 to this annual report on Form 10-K.

<b>Exhibit Number</b>	<b>Description</b>
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm

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31.1 Rule 13a-14(a) Certification of Chief Executive Officer of Regal

31.2 Rule 13a-14(a) Certification of Chief Financial Officer of Regal

32 Section 1350 Certifications

99.1 Consent of National CineMedia, LLC

The financial statements of National CineMedia, LLC are filed under Item 15(c) below:

(b) The exhibits required to be filed herewith are listed above.

(c) Financial Statement Schedules: Financial Statement of National CineMedia, LLC.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Members of

National CineMedia, LLC

Centennial, Colorado

We have audited the accompanying balance sheets of National CineMedia, LLC (the Company) as of December 29, 2011 and December 30, 2010, and the related statements of income, comprehensive income, members' equity (deficit), and cash flows for the years ended December 29, 2011, December 30, 2010 and December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company as of December 29, 2011 and December 30, 2010, and the results of its operations and its cash flows for the years ended December 29, 2011, December 30, 2010 and December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Denver, Colorado  
March 20, 2012



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## NATIONAL CINEMEDIA, LLC

## BALANCE SHEETS

(In millions)

	December 29, 2011	December 30, 2010
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 9.2	\$ 13.8
Receivables, net of allowance of \$4.3 and \$3.7 million, respectively	96.6	100.1
Prepaid expenses	1.7	1.7
Prepaid management fees to managing member	1.0	0.8
Total current assets	108.5	116.4
<b>NON-CURRENT ASSETS:</b>		
Property and equipment, net of accumulated depreciation of \$54.8 and \$46.4 million, respectively	24.6	19.8
Intangible assets, net of accumulated amortization of \$20.8 and \$10.8 million, respectively	274.9	275.2
Debt issuance costs, net	12.6	7.3
Other investment	0.2	6.7
Other long-term assets	0.6	0.6
Total non-current assets	312.9	309.6
<b>TOTAL</b>	<b>\$ 421.4</b>	<b>\$ 426.0</b>
<b>LIABILITIES AND MEMBERS EQUITY/(DEFICIT)</b>		
<b>CURRENT LIABILITIES:</b>		
Amounts due to founding members	22.0	25.2
Amounts due to managing member	21.2	28.2
Accrued expenses	16.2	8.6
Current portion of long-term debt	0.0	1.2
Current portion of interest rate swap agreements	24.0	25.3
Accrued payroll and related expenses	9.0	9.3
Accounts payable	12.8	10.5
Deferred revenue	2.9	3.8
Total current liabilities	108.1	112.1
<b>NON-CURRENT LIABILITIES:</b>		
Borrowings	794.0	775.0
Interest rate swap agreements	46.8	45.5
Total non-current liabilities	840.8	820.5
Total liabilities	948.9	932.6
<b>COMMITMENTS AND CONTINGENCIES (NOTE 9)</b>		
MEMBERS EQUITY/(DEFICIT) (including accumulated other comprehensive loss of \$56.9 and \$58.3 million, respectively)	(527.5)	(506.6)
<b>TOTAL</b>	<b>\$ 421.4</b>	<b>\$ 426.0</b>

See accompanying notes to financial statements.

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## NATIONAL CINEMEDIA, LLC

## STATEMENTS OF INCOME

(In millions)

	Year Ended December 29, 2011	Year Ended December 30, 2010	Year Ended December 31, 2009
<b>REVENUE:</b>			
Advertising (including revenue from founding members of \$38.2, \$38.5 and \$38.2 million, respectively)	\$ 386.1	\$ 379.4	\$ 335.1
Fathom Events	49.2	48.0	45.5
Other	0.1	0.1	0.1
<b>Total</b>	<b>435.4</b>	<b>427.5</b>	<b>380.7</b>
<b>OPERATING EXPENSES:</b>			
Advertising operating costs	24.6	21.7	20.0
Fathom Events operating costs (including \$9.3, \$8.6, and \$7.7 million to founding members, respectively)	34.1	32.4	29.1
Network costs	17.7	20.0	18.6
Theatre access fees founding members	55.4	52.6	52.7
Selling and marketing costs (including \$1.1, \$1.2 and \$1.1 million to founding members, respectively)	59.8	57.9	50.2
Administrative costs	17.6	17.9	14.8
Administrative fee managing member	13.7	16.6	10.8
Depreciation and amortization	18.8	17.8	15.6
Other costs	0.0	0.0	0.7
<b>Total</b>	<b>241.7</b>	<b>236.9</b>	<b>212.5</b>
<b>OPERATING INCOME</b>	<b>193.7</b>	<b>190.6</b>	<b>168.2</b>
<b>NON-OPERATING EXPENSES:</b>			
Interest on borrowings	49.2	44.4	47.1
Interest income	0.0	0.0	(0.1)
Change in derivative fair value	1.3	5.3	(7.0)
Impairment on investment	6.7	0.0	0.0
Other non-operating	1.7	0.2	(1.9)
<b>Total</b>	<b>58.9</b>	<b>49.9</b>	<b>38.1</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>134.8</b>	<b>140.7</b>	<b>130.1</b>
Provision for income taxes	0.3	0.5	0.8
Equity loss from investment, net	0.0	0.7	0.8
<b>NET INCOME</b>	<b>\$ 134.5</b>	<b>\$ 139.5</b>	<b>\$ 128.5</b>

See accompanying notes to financial statements.



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**NATIONAL CINEMEDIA, LLC**  
**STATEMENTS OF COMPREHENSIVE INCOME**

(In millions)

	Year Ended December 29, 2011	Year Ended December 30, 2010	Year Ended December 31, 2009
NET INCOME	\$ 134.5	\$ 139.5	\$ 128.5
<b>OTHER COMPREHENSIVE INCOME (LOSS):</b>			
Unrealized gain (loss) on cash flow hedge	1.4	(10.9)	26.1
COMPREHENSIVE INCOME	\$ 135.9	\$ 128.6	\$ 154.6

See accompanying notes to financial statements.

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## NATIONAL CINEMEDIA, LLC

## STATEMENTS OF MEMBERS EQUITY/(DEFICIT)

(In millions)

	Units	Amount
Balance January 1, 2009	99,419,620	\$ (685.6)
Capital contribution from founding members	11,781	0.1
Distribution to managing member		(57.8)
Distribution to founding members		(81.5)
Units issued for purchase of intangible asset	2,126,104	28.5
Comprehensive Income		154.6
Share-based compensation expense/capitalized		2.1
Balance December 31, 2009	101,557,505	\$ (639.6)
Capital contribution from managing member	472,259	3.5
Distribution to managing member		(71.0)
Distribution to founding members		(85.1)
Units issued for purchase of intangible asset	8,722,428	151.3
Comprehensive Income		128.6
Share-based compensation issued		(0.1)
Share-based compensation expense/capitalized		5.8
Balance December 30, 2010	110,752,192	\$ (506.6)
Capital contribution from managing member	385,128	5.5
Distribution to managing member		(78.7)
Distribution to founding members		(83.0)
Equity returned from purchase of intangible asset	(322,751)	(5.5)
Comprehensive Income		135.9
Share-based compensation issued		(0.1)
Share-based compensation expense/capitalized		5.0
Balance December 29, 2011	110,814,569	\$ (527.5)

See accompanying notes to financial statements.

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**NATIONAL CINEMEDIA, LLC**

**STATEMENTS OF CASH FLOWS**

**(In millions)**

	<b>Year Ended December 29, 2011</b>	<b>Year Ended December 30, 2010</b>	<b>Year Ended December 31, 2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income			