

TABLE 5: THEATER CASH FLOW PER AVERAGE SCREEN

|                       | Fiscal<br>Year-End | 2000<br>(\$ 000) | 2001<br>(\$ 000) | 2002<br>(\$ 000) | 2003<br>(\$ 000) | 2004<br>(\$ 000) | CAGR<br>'00-'04<br>(%) | 9-mos.<br>2005<br>(\$ 000) |
|-----------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------------|----------------------------|
| IMAX                  | 12/31              | 123.2            | (35.0)           | 104.8            | 112.9            | 164.3            | 7.5                    | 65.4                       |
| Marcus Corp. #        | 05/31              | 75.1             | 66.8             | 96.6             | 98.5             | 103.5            | 8.4                    | 50.8                       |
| Regal Ent. Group @    | 12/31              | n/a              | 57.0             | 76.8             | 93.0             | 82.2             | n/a                    | 54.5                       |
| Cinemark              | 12/31              | 47.4             | 55.6             | 66.8             | 66.3             | 72.0             | 11.1                   | 63.2                       |
| Loews Cineplex*       | 12/31              | 36.4             | 50.3             | 44.7             | 68.3             | 68.7             | 17.2                   | 40.7                       |
| AMC/Marquee           | 03/31              | 36.3             | 55.2             | 62.6             | 65.4             | 50.2             | 8.4                    | 41.5                       |
| Carmike Cinemas       | 12/31              | 20.6             | 31.3             | 45.5             | 45.4             | 47.1             | 23.0                   | 21.2                       |
| Reading Intl., Inc. & | 12/31              | n/a              | 3.0              | 31.6             | 49.6             | 34.1             | n/a                    | 30.8                       |
| GC Cos.               | 10/31              | (9.3)            | 20.2             | n/a              | n/a              | n/a              | n/a                    | n/a                        |
| Reading Ent.          | 12/31              | (46.8)           | n/a              | n/a              | n/a              | n/a              | n/a                    | n/a                        |
| Regal Cinemas         | 12/31              | 40.3             | n/a              | n/a              | n/a              | n/a              | n/a                    | n/a                        |
| United Artists        | 12/31              | 33.4             | n/a              | n/a              | n/a              | n/a              | n/a                    | n/a                        |
| Weighted Avg.         |                    | 35.1             | 49.3             | 64.5             | 73.7             | 69.3             | 18.5                   | 49.6                       |

\* Loews switched fiscal year-end to 12/31 in 2002. Financial results for 2002 are from 4/1/02 to 12/31/02.

# Data is six months ending for the theater division only.

@ Regal Cinemas, United Artists and Edwards Theaters merged to form Regal Entertainment Group.

& Reading Entertainment consolidated into Reading International, Inc. in 2001. Data is for the theater division only.

n/a=not applicable.

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TABLE 6: CASH FLOW MARGIN TRENDS FOR EXHIBITOR CHAINS (%)

|                       | Fiscal<br>Year-End | 2000<br>(%) | 2001<br>(%) | 2002<br>(%) | 2003<br>(%) | 2004<br>(%) | CAGR<br>'00-'04<br>(%) | 9-mos.<br>2005<br>(%) |
|-----------------------|--------------------|-------------|-------------|-------------|-------------|-------------|------------------------|-----------------------|
| Marcus Corp. #        | 05/31              | 27.6        | 24.9        | 31.9        | 32.0        | 32.6        | 4.3                    | 31.2                  |
| IMAX                  | 12/31              | 15.3        | (6.6)       | 18.4        | 22.3        | 29.5        | n/a                    | 17.1                  |
| Cinemark              | 12/31              | 17.1        | 19.2        | 21.5        | 21.5        | 22.2        | 6.8                    | 20.1                  |
| Carmie Cinemas        | 12/31              | 11.8        | 16.3        | 20.7        | 20.8        | 21.2        | 15.8                   | 14.6                  |
| Regal Ent. Group @    | 12/31              | n/a         | 17.7        | 20.7        | 21.9        | 20.5        | n/a                    | 18.8                  |
| Loews Cineplex*       | 12/31              | 11.1        | 14.7        | 14.8        | 16.3        | 16.5        | 10.5                   | 14.1                  |
| Reading Intl., Inc. & | 12/31              | n/a         | 2.8         | 9.4         | 14.3        | 11.0        | n/a                    | 11.2                  |
| AMC/Marquee           | 03/31              | 8.5         | 11.7        | 11.3        | 13.0        | 9.8         | 3.8                    | 12.3                  |
| GC Cos.               | 10/31              | (2.7)       | 5.6         | n/a         | n/a         | n/a         | n/a                    | n/a                   |
| Reading Ent.          | 12/31              | (18.8)      | n/a         | n/a         | n/a         | n/a         | n/a                    | n/a                   |
| Regal Cinemas         | 12/31              | 15.6        | n/a         | n/a         | n/a         | n/a         | n/a                    | n/a                   |
| United Artists        | 12/31              | 11.0        | n/a         | n/a         | n/a         | n/a         | n/a                    | n/a                   |
| Weighted Avg.         |                    | 11.7        | 15.1        | 17.6        | 18.9        | 17.9        | 11.2                   | 17.6                  |

\* Loews switched fiscal year-end to 12/31 in 2002. Financial results for 2002 are from 4/1/02 to 12/31/02.

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The cash flow margins show that, although things were not all sunshine and roses at the box office in 2005, exhibitors have been able to manage costs wisely and keep their business healthy. The year 2006 stands to be an important one for exhibition as high hopes are placed on several poten-

tial blockbusters (among them "Superman Returns," "Mission: Impossible III" and "Cars") to bring audiences back to the theatres. If the box office does bounce back, then exhibitors are likely to breathe a little easier and chalk up 2005 as just another bump in the road.

The analysis in this article is based in part on Kagan Film Publications' annual research report "The Business of Movie Exhibition 2006," which is available for \$1,245. To obtain a copy or for more information call (831) 624-1536, email [info@kagan.com](mailto:info@kagan.com) or visit [kagan.com](http://kagan.com).

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