AMC ENTERTAINMENT HOLDINGS, INC.
Form S-1
September 12, 2007

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As filed with the Securities and Exchange Commission on September 12, 2007

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AMC ENTERTAINMENT HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**7832**	**26-0303916**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

c/o AMC Entertainment Inc.
920 Main Street
Kansas City, Missouri 64105-1977
(816) 221-4000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Approximate date of commencement of proposed sale to public: As soon as practicable after the effective date of this Registration Statement.

If any securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o ____________

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o ____________

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o ____________

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common stock, par value $0.01 per share	$500,000,000	$15,350.00

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o).

(2) Including shares of common stock which may be purchased by the underwriters to cover over-allotments, if any.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 12, 2007

Shares

AMC Entertainment Holdings, Inc.

Common Stock

This is an initial public offering of shares of common stock of AMC Entertainment Holdings, Inc. We are selling an aggregate of shares in this offering.

Prior to this offering, there has been no public market for our common stock. The initial public offering price of our common stock is expected to be between $ and $ per share. We will apply to list the common stock on the New York Stock Exchange under the symbol "AC".

The underwriters have an option to purchase up to an additional shares of common stock from us.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 22.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Us
Per Share			
Total			

Delivery of the shares of common stock will be made on or about , 2007.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2007.

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You should rely only on the information contained in or incorporated by reference in this document. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Dealer Prospectus Delivery Obligation

Until , 2007, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

MARKET AND INDUSTRY INFORMATION

Information regarding market share, market position and industry data pertaining to our business contained in this prospectus consists of our estimates based on data and reports compiled by industry professional organizations (including the Motion Picture Association of America, the National Association of Theatre Owners ("NATO"), Nielsen Media Research, and Rentrak Corporation ("Rentrak")), industry analysts and our management's knowledge of our business and markets. Unless otherwise noted in this prospectus, all information provided by the Motion Picture Association of America is for the 2006 calendar year, all information provided by NATO is for the 2006 calendar year and all information provided by Rentrak is as of June 28, 2007.

Although we believe that the sources are reliable, we have not independently verified market industry data provided by third parties or by industry or general publications. While we believe our internal estimates with respect to our industry are reliable, our estimates have not been verified by any independent sources. While we are not aware of any misstatements regarding any industry data presented in this prospectus, our estimates involve risks and uncertainties and are subject to changes based on various factors, including those discussed under "Risk Factors."

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors" and our consolidated financial statements and accompanying notes.

AMC Entertainment Holdings, Inc. ("Parent"), an entity created on June 6, 2007, is the sole stockholder of Marquee Holdings Inc. ("Holdings"). Holdings is a holding company with no operations of its own and has one direct subsidiary, AMC Entertainment Inc. ("AMC Entertainment"). On June 11, 2007, Marquee Merger Sub Inc. ("Merger Sub"), a wholly-owned subsidiary of Parent, merged with and into Holdings, with Holdings continuing as the surviving corporation. As a result, Holdings became a wholly owned subsidiary of Parent, a newly formed entity controlled by the Sponsors, as defined under " The Reclassification." The Sponsors created Parent to facilitate a debt financing by Parent and a related dividend by Parent to its stockholders. Upon completion of this initial public offering, Holdings will be merged with and into Parent, with Parent continuing as the surviving entity.

As used in this prospectus, the term "pro forma" refers to, in the case of pro forma financial information, such information after giving pro forma effect to (i) the initial public offering of National CineMedia, Inc. ("NCM, Inc.") in February 2007 (the "NCM, Inc. IPO"), our use of proceeds from the NCM, Inc. IPO to fund bond redemptions and the related transactions described under "Unaudited Pro Forma Condensed Consolidated Financial Information The NCM Transactions," which we refer to collectively as the "NCM Transactions,"(ii) the disposition during fiscal 2007 of certain theatres relating to the merger of Loews Cineplex Entertainment Corporation ("Loews") with AMC Entertainment in January 2006 (the "Loews Dispositions"), (iii) the Parent Transactions (as defined under " Recent Developments Parent Transactions") and (iv) this offering, the reclassification of Parent's capital stock described under " The Reclassification" and related transactions, including the merger of Holdings into Parent (the "Offering Transactions"). Except as stated otherwise herein, the share data set forth in this prospectus reflects the reclassification of Parent's capital stock as described below under " The Reclassification."

Holdings has a 52-week or 53-week fiscal year ending on the Thursday closest to April 1. Fiscal years 2004, 2005, 2006 and 2007 contained 52 weeks. Fiscal 2003 contained 53 weeks.

Who We Are

We are one of the world's leading theatrical exhibition companies based on a number of characteristics, including total revenues. We were founded in 1920 and since that time have pioneered many of the industry's most important innovations, including the multiplex theatre format in the early 1960s and the North American megaplex theatre format in the mid-1990s. In addition, we have acquired some of the most respected companies in the theatrical exhibition industry, including Loews and General Cinema, and we have a demonstrated track record of successfully integrating those companies through timely theatre conversion, headcount reductions and consolidation of corporate operations. As of June 28, 2007, we owned, operated or held interests in 377 theatres with a total of 5,300 screens, approximately 87% of which were located in the United States and Canada. Our theatres are primarily located in large urban markets in which we have a strong market position relative to our competitors. We believe that we have one of the most modern and productive theatre circuits, as evidenced by our average screen per theatre count in the United States and Canada of 14.8 and our pro forma attendance per theatre of more than 655,000 patrons, both of which we believe to be substantially in excess of industry averages. For the 52 weeks ended June 28, 2007, on a pro forma basis, we had revenues of $2.4 billion, Adjusted EBITDA of $425.6 million, a loss from continuing operations of $60.3 million and, on a historical basis, we had net cash provided by operating activities of $394.7 million. See "Summary Unaudited Pro Forma Financial and Operating Data."

In the United States and Canada, as of June 28, 2007, we operated 311 theatres with 4,597 screens in 30 states, the District of Columbia and 2 Canadian provinces. We have a significant presence in most major urban "Designated Market Areas," or "DMA's" (television areas as defined by Nielsen Media Research). Our U.S. and Canada theatre circuit represented 92.5% of our revenues for the 52 weeks ended June 28, 2007 on a pro forma basis.

As of June 28, 2007, our international circuit of 66 theatres with 703 screens consisted principally of wholly-owned theatres in Mexico and an unconsolidated joint venture in South America. In Mexico, we owned and operated 44 theatres with 488 screens primarily located in the Mexico City Metropolitan Area, or MCMA, through Grupo Cinemex, S.A. de C.V. and its subsidiaries (Cinemex). We believe that we have the number one market share in the MCMA with an estimated 49% of MCMA attendance through December 31, 2006. In addition, as of June 28, 2007, we participated in a 50% joint venture in South America (Hoyts General Cinema South America), which owned 17 theatres with 160 screens, and wholly-owned three theatres and 42 screens in Europe. We sold our interests in Hoyts General Cinema South America on July 5, 2007. Our wholly-owned international circuit represented 7.5% of our revenues for the 52 weeks ended June 28, 2007 on a pro forma basis.

Our Competitive Strengths

There are several principal characteristics of our business that we believe make us a particularly effective competitor in our industry and position us well for future growth. These include:

Leading Scale and Major Market Position. We are one of the world's leading theatrical exhibition companies and enjoy geographic market diversification and leadership in major markets worldwide. We believe the breadth of our operations allows us to achieve economies of scale, providing us with competitive advantages in real estate negotiations, theatre-level operations, purchasing, theatre support and general and administrative activities. We also believe our size and scale positions us to benefit from positive industry attendance trends and revenue generating opportunities.

Our theatres are generally located in large, urban markets. Traditionally, the population densities, affluence and ethnic and cultural diversity of top DMA's generate higher levels of box office revenues per capita and greater opportunity for a broader array of film genres, all of which we believe position our circuit to benefit from the potential growth in these markets. We also believe our major-market presence makes our theatres incrementally more important to studios who rely on our markets for a disproportionate share of box office receipts. As of June 28, 2007, we operated in all but two of the Top 25 DMA's, and had the number one or two market share in 22 of the top 25 DMA's, including the number one market share in New York City, Chicago, Dallas and Washington, D.C. We also operated 23 of the top 50 theatres in the United States and Canada in terms of box office revenues as measured by Rentrak.

Modern, Highly Productive Theatre Circuit. We are an industry leader in the development and operation of megaplex theatres, typically defined as a theatre having 14 or more screens and offering amenities to enhance the movie-going experience, such as stadium seating providing unobstructed viewing, digital sound and enhanced seat design. As of June 28, 2007, 3,338, or approximately 73%, of our screens in the United States and Canada were located in megaplex theatres and the average number of screens per theatre was 14.8, more than twice the industry average of 6.6, according to estimates by management.

We believe our megaplex theatres provide a more enjoyable experience for our patrons, in that they offer a wider selection of films and showtimes and generally are equipped with a variety of other amenities. Accordingly, we believe our high proportion of megaplex theatres provide us with better asset utilization and enhanced revenue opportunities. For the 52 weeks ended June 28, 2007, on a pro forma basis, our theatre circuit in the United States and Canada produced box office revenues per screen at rates approximately 26% higher than our closest peer competitor and 47% higher than the

industry average, as measured by Rentrak. On average, our theatres do more business and serve more customers, which positions us to benefit from our highly profitable concessions operations and growth in other ancillary sources of revenue.

Strong Cash Flow Generation. The combination of our major market focus and highly productive theatre circuit allows us to generate significant cash flow. For the 52 weeks ended June 28, 2007, our net cash provided by operating activities totaled $394.7 million. In future years, we expect to generate enough cash flow to maintain existing facilities, consistent with our high standards of quality, invest in our business when we find attractive opportunities to build or acquire theatres, service our debt, and pay dividends to our stockholders.

Proven Management Team. Our executive management team has an average of approximately 23 years of experience in the theatrical exhibition industry. Our leadership team has guided our company through a number of economic and industry cycles, and has successfully integrated a number of important acquisitions while achieving immediate cost savings.

Risk Factors. Despite our competitive strengths discussed above, investing in our common stock involves a number of risks, including:

- Our substantial debt could adversely affect our operations and prevent us from satisfying our obligations under our debt obligations, and may have an adverse effect on the price of our stock. On a pro forma basis, we had $1,938.7 million of outstanding indebtedness as of June 28, 2007 and interest expense of $179.3 million for the 52 weeks ended June 28, 2007;

- The agreements governing our indebtedness contain covenants that may limit our ability to take advantage of certain business opportunities;

- Prior to fiscal 2007, we had reported net losses in each of the last nine fiscal years totaling approximately $512.0 million. For fiscal 2007, we reported net earnings of $116.9 million and for the thirteen weeks ended June 28, 2007, we reported net earnings of $14.6 million;

- We face significant competition for new theatre sites, and we may not be able to build or acquire theatres on terms favorable to us; and

- Our loss of key management personnel or our inability to hire and retain skilled employees at our theatres could adversely affect our business.

For a discussion of the significant risks associated with our business, our industry and investing in our common stock, you should read the section entitled "Risk Factors."

Our Strategy

Our strategy is driven by the following three primary elements:

Growing Core and Ancillary Revenues. We believe we have opportunities to increase our core and ancillary revenues through strategic marketing initiatives, new product offerings and other enhancements to our business. Since fiscal 2001 through June 28, 2007, theatre revenues per patron for AMC Entertainment have increased by a 4.8% compound annual growth rate, or CAGR, which resulted in a per patron increase of more than $2.71 over this period.

Over the years we have implemented a number of key programs and initiatives designed to grow our core and ancillary revenues. For example:

- In 2006, we implemented specific marketing initiatives targeted at increasing attendance. In addition, we have introduced value oriented pricing and product combinations as part of our concession offerings, increasing both concession spending per patron and our profitability;

Our MovieWatcher frequent moviegoer loyalty program has approximately 1.6 million active members, which we believe to be among the largest of its kind in the industry;

We introduced the AMC Entertainment Card in October 2002, the first stored-value gift card sold circuit-wide in the industry. We currently sell the card through several marketing alliances at approximately 50,000 retail outlets throughout the United States and Canada;

We were a founding member and currently own approximately 18.6% of National CineMedia, LLC, a cinema screen advertising venture representing approximately 14,000 North American theatre screens (of which approximately 12,000 are equipped with digital projection capabilities) that reaches over 550 million movie guests annually; and

We were a founding partner and currently own approximately 27% of MovieTickets.com, an Internet ticketing venture representing over 10,000 screens.

In February 2007, we formed a joint venture known as Digital Cinema Implementation Partners LLC, a Delaware limited liability company ("DCIP") with CineMark Media, Inc. ("Cinemark") and Regal CineMedia Holdings, LLC ("Regal"), to facilitate the financing and deployment of digital cinema in our theatres and to enter into agreements with digital cinema equipment vendors, and major motion picture studios for the implementation of digital cinema. Based upon DCIP's progress to date, installation of digital cinema systems in our, Cinemark's and Regal's new build theatres is expected to begin during the fourth quarter of calendar year 2007 and replacement of 35 millimeter equipment in existing theatres is expected to begin in the first quarter of calendar year 2008 and take approximately two years to complete.

Digital cinema systems enhance operational and programming efficiencies within our theatres, improve overall presentation quality and substantially increase the programming options that are available to us including 3D and alternative content. Given our concentration in major DMA's and the overall diversity of our patron base, we believe that these additional programming enhancements will be particularly appealing to our patrons and represent a significant opportunity to increase core and ancillary revenues.

Maximizing Operating Efficiencies. A fundamental focus of our business is managing our costs and expenses and, as a result, improving our margins. Since fiscal 2001, we have implemented initiatives which have resulted in the following:

Our cost of operations has declined as a percentage of total revenues from 67.4% in fiscal 2001 to 63.6% for the 52 weeks ended June 28, 2007;

Our general and administrative expense has declined as a percentage of total revenue from 2.7% in fiscal 2001 to 1.8% during the 52 weeks ended June 28, 2007; and

Our Segment Adjusted EBITDA[1] margins have increased from 14.5% in fiscal 2001 to 18.6% for the 52 weeks ended June 28, 2007.

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(1) See note 13 to our unaudited consolidated financial statements and note 17 to our audited consolidated financial statements included elsewhere in this prospectus for a discussion of Segment Adjusted EBITDA including a reconciliation to operating earnings (loss). We have computed Segment Adjusted EBITDA margins by dividing Segment Adjusted EBITDA by total revenues. Segment Adjusted EBITDA is disclosed in our unaudited and audited financial statements as it is a primary measure used by us to evaluate the performance of our segments and to allocate resources.

Optimizing Our Theatre Portfolio. Our highly productive theatre circuit is a function of our new build, theatre disposition and acquisition strategies. Because we are a recognized leader in the development and operation of megaplex theatres and because we have significant financial resources,

we believe that we will continue to have a strong pipeline of attractive new build opportunities. We intend to selectively pursue such opportunities where the characteristics of the location and the overall market meet our strategic and financial return criteria. As of June 28, 2007, we had six theatres in the United States and Canada with a total of 90 screens under construction and scheduled to open in fiscal 2008.

We believe that our proactive efforts to dispose of older, underperforming theatres further differentiates us from our competitors and has been an important contributor to our overall theatre portfolio quality. We will continue to evaluate our theatre portfolio and, where appropriate, dispose of theatres through closures, lease terminations, lease buyouts, sales or subleases.

Our Industry

We believe the theatrical exhibition industry is and will continue to be attractive for a number of key reasons, including:

A Highly Popular Consumer Experience. Going to the movies is one of the most popular out-of-home entertainment experiences in the United States. We believe the popularity of moviegoing is driven by a number of factors, including the widespread availability of movie theatres and the affordability of tickets relative to other recreational activities. The estimated average price of a movie ticket was $6.55 in 2006, considerably less than other forms of out-of-home entertainment such as concerts and sporting events.

Long History of Steady Growth. Box office revenues in the United States and Canada have increased at a 4.7% CAGR over the last 20 years, driven by increases in both ticket prices and attendance. This timeframe has included periods of downturn in both the economy in general and the theatrical exhibition industry in particular.

Importance to Studios. We believe that the theatrical success of a motion picture is often the key determinant in establishing its value in the other parts of the product life cycle, such as DVD, cable television, merchandising and other ancillary markets. As a result, we believe motion picture studios will continue to work cooperatively with theatrical exhibitors to ensure the continued value of the theatrical window.

Exhibition Industry has Consolidated and Rationalized. After a period of over-expansion in the late-1990's, the exhibition industry has experienced significant consolidation and circuit rationalization. The top four exhibitors now account for 53% of box office revenues compared to 29% in 1995. Under this new industry model, screen count growth (as an annual percentage) has been in the low-single digits compared to significantly greater growth in the late-1990's. We have played a key role in this consolidation process: our acquisition of Loews on January 26, 2006 combined two leading theatrical exhibition companies, each with a long history of operating in the industry, and increased the number of screens we operated by 47%.

Significant Ongoing Investment in Motion Pictures. The number of films released in the United States has increased in each of the past five years. Since 2005, this reflects, among other things, a significant investment in the movie business from non-traditional sources. A number of recent motion picture financings have attracted significant participation from large financial institutions looking to diversify their portfolios. We believe the impact of this investment will be the further increase in the number of movies produced each year.

In 2006, theatrical exhibition experienced a marked improvement over 2005, with box office revenues increasing 5.5%, compared to a decrease of more than 5.7% in 2005. We believe this recovery was driven by several factors, the most critical of which was the improved quality of the 2006 film slate (as measured by critical reception) compared to 2005. In 2006, the industry experienced significant

contributions not only from films such as *Pirates of the Caribbean: Deadman's Chest* and *Cars*, but also from a number of successful and critically acclaimed films such as *Borat*, *The Devil Wears Prada* and *The Break-Up*. Through August 30, 2007, box office revenues were up 8.0% over the same period in 2006, driven by a number of films including *Spider-Man 3, Shrek the Third* and *Transformers*. A number of highly anticipated films are expected to debut during the remainder of 2007 and 2008, including installments of popular movie franchises such as *National Treasure, The Chronicles of Narnia,Indiana Jones* and *Harry Potter*.

Recent Developments

Parent Transactions. On June 11, 2007, Merger Sub, a wholly-owned subsidiary of Parent, merged with and into Holdings, with Holdings continuing as the surviving corporation. As a result, (i) Holdings became a wholly owned subsidiary of Parent, a newly formed entity controlled by the Sponsors, (ii) each share of Holdings' common stock that was issued and outstanding immediately prior to the effective time of the merger was automatically converted into a substantially identical share of common stock of Parent, and (iii) each of Holdings' governance agreements was superseded by a substantially identical governance agreement entered into by and among Parent, the Sponsors and Holdings' other stockholders. The Sponsors created Parent to facilitate the borrowing of $400 million in term loans pursuant to a credit agreement entered into by Parent on June 13, 2007 (the "Parent Term Loan Facility") and the use of the net proceeds of such borrowing, along with $270.6 million of cash on hand at AMC Entertainment, to pay a dividend to Parent's stockholders in the amount of $652.8 million. We refer to the creation of Parent and the related term loan borrowing and dividend payment, collectively, as the "Parent Transactions."

Change of Control Offers. In connection with the offering, the Sponsors, as defined below, and certain other existing stockholders of Holdings intend to enter into a new voting arrangement, effective upon the closing of the offering, which is described in more detail under "Certain Relationships and Related Party Transactions Governance Agreements." As a result of these new voting arrangements, the offering will constitute a "change of control" under the indentures governing Holding's 12% senior discount notes due 2014 (the "Discount Notes due 2014") and AMC Entertainment's 11% senior subordinated notes due 2016 (the "Notes due 2016") and $8^5/_8$% senior fixed rate notes due 2012 (the "Fixed Notes due 2012"), and Holdings and AMC Entertainment will be required to make change of control offers to purchase these notes after completion of the offering at a price of 101% of the aggregate principal amount thereof plus, without duplication, accrued and unpaid interest to the date of repurchase. To the extent that holders of these notes accept the offers, we anticipate that we would raise the amounts needed to fund the offers with cash on hand, available lines of credit or through new financing; however, we cannot assure you that Holdings and AMC Entertainment would have sufficient funds available or be able to obtain new financing on commercially reasonable terms or at all.

The Reclassification

Prior to consummating this offering, Parent intends to reclassify each share of its existing Class A common stock, Class N common stock and Class L common stock. Pursuant to the reclassification, each holder of shares of Class A common stock, Class N common stock and Class L common stock will receive shares of common stock for one share of Class A common stock, Class L common stock or Class N common stock. The transactions described in this paragraph are referred to in this prospectus as the "Reclassification."

Currently, investment vehicles affiliated with J.P. Morgan Partners, LLC (collectively, "JPMP"), Apollo Investment Fund V, L.P. and certain related investment funds (collectively, "Apollo"), JPMP's and Apollo's co-investors, funds associated with Bain Capital Partners, LLC ("Bain"), affiliates of The Carlyle Group (collectively, "Carlyle"), affiliates of Spectrum Equity Investors (collectively, "Spectrum"), and management hold 100% of Parent's outstanding common stock. JPMP, Apollo, Bain,

Carlyle and Spectrum are collectively referred to as the "Sponsors." After giving effect to the Reclassification and this offering, the Sponsors will hold shares of our common stock (including shares held by certain JPMP and Apollo co-investors, which, pursuant to the governance agreements described below, must be voted by such co-investors to elect JPMP and Apollo board designees), representing approximately % of our outstanding common stock, and will have the power to control our affairs and policies including with respect to the election of directors (and through the election of directors the appointment of management), the entering into of mergers, sales of substantially all of our assets and other extraordinary transactions. The governance agreements will provide that, initially, the Sponsors will collectively have the right to designate eight directors (out of a total of 10 initial board members) and that each will vote for the others' nominees. The right to designate directors will reduce as the Sponsors' ownership percentage reduces, such that the Sponsors will not have the ability to nominate a majority of the board of directors once their collective ownership (together with the share ownership held by the JPMP and Apollo co-investors) becomes less than 50.1%. However, because our board of directors will be divided into three staggered classes, the Sponsors may be able to influence or control our affairs and policies even after they cease to own 50.1% of our outstanding common stock during the period in which the Sponsors' nominees finish their terms as members of our board but in any event no longer than would be permitted under applicable law and New York Stock Exchange listing requirements. See "Certain Relationships and Related Party Transactions Governance Agreements." Pursuant to the Fee Agreement as described under the heading "Certain Relationships and Related Party Transactions Fee Agreement," upon consummation of this offering, the Sponsors will receive an automatic fee equal to the net present value of the aggregate annual management fee that would have been payable to the Sponsors during the remainder of the term of the fee agreement and our obligation to pay annual management fees will terminate. We estimate that our aggregate payment to the Sponsors would have been $38.7 million had the offering occurred on June 28, 2007.

Corporate Information

AMC Entertainment Holdings, Inc. is a Delaware corporation. Our principal executive offices are located at 920 Main Street, Kansas City, Missouri 64105. The telephone number of our principal executive offices is (816) 221-4000. We maintain a website at www.amctheatres.com, on which we will post our key corporate governance documents, including our board committee charters and our code of ethics. We do not incorporate the information on our website into this prospectus and you should not consider any information on, or that can be accessed through, our website as part of this prospectus.

The Offering

Common stock offered by us	shares
Common stock to be outstanding immediately after this offering	shares
Option to purchase additional shares of common stock.	We have granted to the underwriters a 30-day option to purchase up to additional shares from us at the initial public offering price less underwriting discounts and commissions. The underwriters will not execute sales to discretionary accounts without the prior written specific approval of the customers.
Common stock voting rights	Each share of our common stock will entitle its holder to one vote per share.
Dividend policy	We intend to pay cash dividends commencing from the closing date of this offering. We expect that our first dividend will be with respect to the third quarter of fiscal 2008 and paid as soon as practicable after February 15, 2008. The declaration and payment of future dividends to holders of our common stock will be at the sole discretion of our board of directors and will depend upon many factors, including our financial condition, earnings, legal requirements, restrictions in our senior secured credit facility and the indentures governing our debt securities and other factors our board of directors deem relevant. See "Risk Factors We may not generate sufficient cash flows or have sufficient restricted payment capacity under our senior secured credit facility or the indentures governing our debt securities to pay our intended dividends on the common stock," "Dividend Policy," "Management's Discussion and Analysis of Financial Condition and Results of Operations of AMC Entertainment Holdings, Inc. Commitments and Contingencies," "Description of Certain Indebtedness" and "Description of Capital Stock."
Use of proceeds	We intend to apply the net proceeds from this offering to repay all amounts outstanding under the Parent Term Loan Facility, to make a lump sum payment of $38.7 million pursuant to our fee agreement with our Sponsors and for general corporate purposes.
Proposed New York Stock Exchange trading symbol	"AC"

Unless otherwise stated herein, the information in this prospectus (other than our historical financial statements and historical financial data) assumes that:

- the Reclassification has been completed;
- the underwriters have not exercised their option to purchase up to additional shares of common stock from us;
- the initial offering price is $ per share, the midpoint of the range set forth on the cover page of this prospectus; and
- our amended and restated certificate of incorporation and amended and restated bylaws are in effect, pursuant to which the provisions described under "Description of Capital Stock" will become operative.

In the Reclassification, each holder of shares of Parent's Class A common stock, Class L common stock and Class N common stock will receive shares of common stock for one share of Class A common stock, Class L common stock or Class N common stock. The number of shares of common stock to be outstanding after completion of this offering is based on shares of our common stock to be sold in this offering and, except where we state otherwise, the common stock information we present in this prospectus excludes, as of June 28, 2007:

- shares of common stock issuable upon the exercise of outstanding employee options, at June 28, 2007, at a weighted average exercise price of $ per share; and
- shares of common stock we will reserve for future issuance under our equity incentive plan.

Summary Unaudited Pro Forma Financial and Operating Data

The following summary unaudited pro forma financial and operating data sets forth our unaudited pro forma combined balance sheet as of June 28, 2007 and unaudited pro forma combined statement of operations for the 13 weeks ended June 28, 2007, the 52 weeks ended March 29, 2007 and the 52 weeks ended June 28, 2007. The pro forma financial data has been derived from our unaudited pro forma condensed consolidated financial information and the notes thereto included elsewhere in this prospectus and has been prepared based on Parent's historical consolidated financial statements included elsewhere in this prospectus. The unaudited pro forma combined balance sheet gives pro forma effect to the Offering Transactions as if they had occurred on June 28, 2007. The unaudited pro forma combined statement of operations data gives pro forma effect to the Loews Dispositions, NCM Transactions, the Parent Transactions and the Offering Transactions, as if each had occurred at March 31, 2006. We have included pro forma financial information for 52 weeks ended June 28, 2007 because we believe that this information provides meaningful financial data about our company's current performance. In addition, our senior secured credit facility requires us to measure compliance with certain quarterly financial covenants on a trailing twelve month basis. See " Covenant Compliance." The summary unaudited pro forma financial and operating data is based on certain assumptions and adjustments and does not purport to present what our actual results of operations would have been had the NCM Transactions, the Loews Dispositions, the Parent Transactions or the Offering Transactions and events reflected by them in fact occurred on the dates specified, nor is it necessarily indicative of the results of operations that may be achieved in the future. The summary unaudited pro forma financial data should be read in conjunction with "Unaudited Pro Forma Condensed Consolidated Financial Information," the historical consolidated financial statements, including the notes thereto, Management's Discussion and Analysis of Financial Condition and Results of Operations of AMC Entertainment Holdings, Inc." and other financial data of Parent presented elsewhere in this prospectus.

	Pro Forma		
	13 Weeks Ended June 28, 2007	52 Weeks Ended March 29, 2007	52 Weeks Ended June 28, 2007
	(thousands of dollars, except operating and per share data)		
Unaudited Pro Forma Statement of Operations Data:			
Total revenues	$ 622,492	$ 2,423,474	$ 2,417,509
Cost of operations	400,559	1,558,182	1,556,157
Rent	112,708	442,425	444,839
General and administrative expense:			
Merger and acquisition costs	4,550	12,447	13,245
Other	13,302	56,731	54,046
Pre-opening expense	2,085	6,569	7,612
Theatre and other closure expense (income)	(14,828)	9,011	(7,860)
Depreciation and amortization	63,689	256,472	256,265
Impairment of long-lived assets		10,686	10,686
Disposition of assets and other (gains)		(11,183)	(12,619)
Total costs and expenses	582,065	2,341,340	2,322,371
Other (income)	(3,397)	(10,267)	(12,204)
Interest expense	44,873	178,206	179,254
Equity in (earnings) losses of non-consolidated entities	(2,253)	5,106	696
Investment income	(16,422)	(4,156)	(21,488)
Earnings (loss) from continuing operations before income taxes	17,626	(86,755)	(51,120)
Income tax provision	3,000	6,500	9,200
Earnings (loss) from continuing operations	$ 14,626	$ (93,255)	$ (60,320)
Earnings (loss) per share from continuing operations basic	$	$	$
Earnings (loss) per share from continuing operations diluted	$	$	$
Average shares outstanding:			
Basic			
Diluted			
Other Data:			
Adjusted EBITDA(1)			$ 425,640

Balance Sheet Data (at period end):			
Cash and equivalents			$ 122,601
Corporate borrowings			1,864,586
Other long-term liabilities			606,465
Capital and financing lease obligations			74,096
Stockholders' equity			941,111
Total Assets			3,941,182
Operating Data (at period end):			
Average screens continuing operations(2)	5,075	5,314	5,089
Number of screens operated	5,300	5,314	5,300
Number of theatres operated	377	379	377
Screens per theatre	14.1	14.0	14.1
Attendance (in thousands) continuing operations(2)	59,970	240,229	236,053

(1) Adjusted EBITDA in this prospectus corresponds to "Annualized EBITDA" in our senior secured credit facility. "See Covenant Compliance" for reconciliation of Adjusted EBITDA to loss from continuing operations. Adjusted EBITDA is not a presentation made in accordance with U.S. GAAP and our use of the term Adjusted EBITDA varies from others in our industry. This measure should not be considered as an alternative to net earnings (loss), operating income or any other performance measures derived in accordance with U.S. GAAP as measures of operating performance or cash flows as measures of liquidity. Adjusted EBITDA is presented giving pro forma effect to the NCM Transactions, the Loews Dispositions, the Parent Transactions and the Offering Transactions and does not purport to present our actual historical covenant compliance calculations. Adjusted EBITDA has important limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. For example, Adjusted EBITDA:

- includes estimated cost savings and operating synergies related to the Loews Acquisition (as defined under "Management's Discussion and Analysis of Financial Condition and Results of Operations of AMC Entertainment Holdings, Inc. Overview Recent History");
- does not include one-time transition expenditures that we anticipate we will need to incur to realize cost savings;
- does not reflect our capital expenditures, future requirements for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, our working capital needs;
- does not reflect the significant interest expenses, or the cash requirements necessary to service interest or principal payments, on our debt;
- excludes tax payments that represent a reduction in cash available to us;
- does not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future;

does not reflect management fees that may be paid to the Sponsors; and

does not reflect the impact of earnings or charges resulting from matters that we and the lenders under our secured senior credit facility may consider not to be indicative of our ongoing operations. In particular, our definition of Adjusted EBITDA allows us to add back certain non-cash and non-recurring charges that are deducted in calculating net income. However, these are expenses that may recur, vary greatly and are difficult to predict. They can represent the effect of long-term strategies as opposed to short-term results. In addition, certain of these expenses can represent the reduction of cash that could be used for other corporate purposes.

(2) Includes consolidated theatres only.

Covenant Compliance

Our senior secured credit facility requires us to maintain a net senior secured leverage ratio of no more than 3.25 to 1.0, calculated on a pro forma basis for the trailing four quarters (as determined under our senior secured credit facility) as long as the commitments under our revolving credit facility remain outstanding. Failure to comply with this covenant would result in an event of default under our senior secured credit facility unless waived by our revolving credit lenders, and in any event would likely limit our ability to borrow funds pursuant to our revolving credit facility. An event of default under our senior credit facility can result in the acceleration of our indebtedness under the facility, which in turn would result in an event of default and possible acceleration of indebtedness under our debt securities. In addition, our senior secured credit facility restricts our ability to take certain actions such as incurring additional debt or making certain acquisitions if we are unable to comply with our net senior secured leverage ratio covenant or, in the case of additional debt, maintain an Adjusted EBITDA to consolidated interest expense ratio of at least 2.0 to 1.0 and a senior leverage ratio of no more than 3.25 to 1.0 after giving pro forma effect (as determined under our senior secured credit facility) to the debt incurrence or acquisition, as the case may be. Failure to comply with these covenants would result in limiting our long-term growth prospects by hindering our ability to incur future indebtedness or grow through acquisitions. As our failure to comply with the covenants described above can, at best, limit our ability to incur debt or grow our company and, at worst, cause us to go into default under the agreements governing our indebtedness, management believes that our senior secured credit facility and these covenants are material to us. As of June 28, 2007, we were in compliance with the covenants described above.

Pro forma Adjusted EBITDA is defined in our senior secured credit facility as loss from continuing operations, as adjusted for the items summarized in the table below. Consolidated interest expense is defined in our senior secured credit facility as interest expense excluding, among other things, the amortization of fees and expenses incurred in connection with the Loews Acquisition, as well as the amortization of fees and expenses associated with certain investment and financing transactions and certain payments made in respect of operating leases, as described in the definition of consolidated interest expense, less interest income for the applicable period.

Adjusted EBITDA is not a measurement of our financial performance or liquidity under U.S. GAAP and should not be considered as an alternative to loss from continuing operations, operating income or any other performance measures derived in accordance with U.S. GAAP. Consolidated interest expense as defined in our senior secured credit facility should not be considered an alternative to U.S. GAAP interest expense. Adjusted EBITDA includes estimated annual cost savings initiatives that we expect to achieve in connection with the Loews Acquisition as a result of actions that we have taken following completion of the Loews Acquisition. Adjusted EBITDA also includes estimated annual cost savings initiatives that we expect to achieve in the ordinary course of business as a result of actions we have taken or anticipate taking in the near future. However, Adjusted EBITDA does not take into account the $29.9 million in one-time transition expenditures that we have incurred to realize these cost savings. The adjustments set forth below reflecting estimated cost savings and operating synergies do not qualify as pro forma adjustments under Regulation S-X promulgated under the Securities Act and

constitute forward-looking statements within the Private Securities Litigation Reform Act of 1995, as amended. Actual results may differ materially from those reflected due to a number of factors, including without limitation, (i) an inability to consolidate facilities, (ii) an inability to reduce headcount and (iii) an inability to terminate certain contracts.

	Pro Forma (Unaudited)	
	52 Weeks Ended June 28, 2007	
	(thousands of dollars, except ratios)	
Calculation of Adjusted EBITDA:		
Loss from continuing operations	$	(60,320)
Income tax provision (benefit)		9,200
Investment expense		(21,488)
Equity in (earnings) losses of non-consolidated entities		696
Interest expense		179,254
Other expense (income)		(227)
Disposition of assets and other gains		(12,619)
Depreciation and amortization		256,265
Impairment charge		10,686
Theatre and other closure expense		(7,860)
Pre-opening expense		7,612
Stock-based compensation expense		10,904
Merger and acquisition costs		13,245
Additional credit facility adjustments:		
Gain on sale of investments and insurance recoveries		45,419
Non-cash items, deferred rent and other		(8,565)
Cost savings initiatives(1)		3,438
Adjusted EBITDA(2)	$	425,640
Net senior secured indebtedness(3)	$	684,488
Net senior secured leverage ratio(4)		1.61
Senior indebtedness(5)	$	1,037,437
Senior leverage ratio(6)		2.44
Consolidated interest expense(7)	$	141,202
Adjusted EBITDA Ratio(8)		3.01

(1) Represents cost savings related to (i) the substantially completed elimination of duplicative overhead costs, including staffing and other administrative expenses, and closure of duplicative facilities, in connection with the merger of Loews with AMC Entertainment in January 2006, (ii) the incorporation of Loews' operations within AMC Entertainment's national corporate contracts for certain vendors to our theatres, and (iii) the alignment of theatre pay level and staffing practices and implementation of best practices used by each of AMC Entertainment and Loews with respect to staffing.

(2) See footnote (1) on page 12 for more information on Adjusted EBITDA.

(3) The senior secured credit facility defines net senior secured indebtedness as consolidated secured indebtedness for borrowed money other than any capital lease obligations, net of cash and cash equivalents. Net senior secured indebtedness reflected in the table consists primarily of borrowings under the senior secured credit facility and also reflects the impact on cash balances from the NCM Transactions and the Offering Transactions.

(4) The senior secured credit facility defines the net senior secured leverage ratio as the ratio of net senior secured indebtedness to Adjusted EBITDA for the trailing four fiscal quarters on a pro forma basis (as defined in the senior secured credit facility).

(5) The senior secured credit facility defines senior indebtedness as consolidated indebtedness for borrowed money that is not expressly subordinate or junior indebtedness.

(6) The senior secured credit facility defines the senior leverage ratio as the ratio of senior indebtedness to Adjusted EBITDA for the trailing four fiscal quarters on a pro forma basis (as defined in the senior secured credit facility).

(7) The senior secured credit facility defines consolidated interest expense as interest expense excluding, among other things, the amortization of fees and expenses incurred in connection with the Loews Acquisition as well as the amortization of fees and expenses associated with certain investment and financing transactions and certain payments made in respect of operating leases, as described in the definition of consolidated interest expense, less interest income for the applicable period.

(8) The senior secured credit facility defines the Adjusted EBITDA Ratio as the ratio of Adjusted EBITDA to consolidated interest expense for the trailing four fiscal quarters on a pro forma basis (as defined in the senior secured credit facility).

Summary Historical Financial and Operating Data

AMC Entertainment Holdings, Inc.

The following tables set forth Parent's historical financial and operating data. The summary historical financial data for the unaudited thirteen week interim periods ended June 28, 2007 and June 29, 2006, for the fiscal years ended March 29, 2007 and March 30, 2006, the period from July 16, 2004 through March 31, 2005 and the period from April 2, 2004 through December 23, 2004 have been derived from Parent's and Holdings' audited and unaudited consolidated financial statements and related notes for such periods included elsewhere in this prospectus. The historical financial data set forth below is qualified in its entirety by reference to Parent's and Holdings' consolidated financial statements and the notes thereto included elsewhere in this prospectus.

Parent, an entity created on June 6, 2007, is the sole stockholder of Holdings. Holdings is a holding company with no operations of its own and has one direct subsidiary, AMC Entertainment. On June 11, 2007, Merger Sub, a wholly-owned subsidiary of Parent, merged with and into Holdings, with Holdings continuing as the surviving corporation. As a result, Holdings became a wholly owned subsidiary of Parent, a newly formed entity controlled by the Sponsors. The Sponsors created Parent to facilitate a debt financing by Parent and a related dividend by Parent to its stockholders. There was no change in the components of stockholders' equity as a result of the Parent Transactions, with the exception of the effect of the dividend paid to Parent's stockholders subsequent to the formation of Parent.

The Parent Transactions constituted a change in reporting entity under Statement of Financial Accounting Standards, or SFAS, No. 154 *Accounting Changes and Error Corrections: a replacement of APB Opinion No. 20 and FASB Statement No. 3.* In accordance with the guidance in SFAS No. 154, the change in accounting entity has been retrospectively applied to the financial statements of all prior periods presented to reflect the new reporting entity for those periods. The consolidated financial statements of Parent include the accounts of Holdings and AMC Entertainment, for the period from July 16, 2004 (date of inception) through June 28, 2007, as Parent, Holdings and AMC Entertainment were entities under common control. The change in accounting entity had no impact on net earnings (loss), other comprehensive earnings (loss) or earnings (loss) per share for the periods presented.

Marquee was formed on July 16, 2004. On December 23, 2004, pursuant to a merger agreement, Marquee merged with and into AMC Entertainment (the "Predecessor") with AMC Entertainment as the surviving entity (the "Successor"). The merger was treated as a purchase with Marquee being the "accounting acquiror" in accordance with SFAS No. 141 *Business Combinations*. As a result, the Successor applied the purchase method of accounting to the separable assets, including goodwill and liabilities of the accounting acquiree, AMC Entertainment, as of December 23, 2004, the closing date of the merger. The consolidated financial statements presented below are those of the accounting acquiror, now Parent, from its inception on July 16, 2004 through June 28, 2007, and those of its Predecessor, AMC Entertainment, for all prior periods through the closing date of the merger.

The summary historical financial and operating data presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of AMC Entertainment Holdings, Inc." and the historical consolidated financial statements, including the notes thereto, of Parent included in this prospectus.

	Thirteen Week Periods		Years Ended(1)(3)(6)			
	13 Weeks Ended June 28, 2007	13 Weeks Ended June 29, 2006	52 Weeks Ended March 29, 2007(4)	52 Weeks Ended March 30, 2006(4)	From Inception July 16, 2004 through March 31, 2005(7)	April 2, 2004 through December 23, 2004(7)
	(Successor)	(Successor)	(Successor)	(Successor)	(Successor)	(Predecessor)
	(in thousands, except per share and operating data)					
Statement of Operations Data:						
Revenues:						
Admissions	$ 416,874	$ 435,640	$ 1,659,939	$ 1,138,034	$ 297,310	$ 847,476
Concessions	184,227	181,044	686,318	456,028	117,266	328,970
Other revenue	21,391	29,150	115,314	92,816	24,884	82,826
Total revenues	622,492	645,834	2,461,571	1,686,878	439,460	1,259,272
Costs and Expenses:						
Film exhibition costs	221,847	227,951	855,804	595,353	152,747	452,727
Concession costs	22,187	22,015	79,711	50,581	12,801	37,880
Operating expense	156,525	155,181	619,076	451,522	115,590	324,427
Rent	112,708	112,319	445,924	329,878	80,776	223,734
General and administrative:						
Merger and acquisition costs	4,550	3,752	12,447	12,523	22,286	42,732
Management fee	1,250	1,250	5,000	2,000	500	
Other(8)	13,088	15,773	55,875	40,251	14,615	33,727
Pre-opening expense	2,085	1,042	6,569	6,607	39	1,292
Theatre and other closure (income) expense	(14,828)	2,043	9,011	601	1,267	10,758
Restructuring charge(9)				3,980	4,926	
Depreciation and amortization	63,689	63,896	256,472	164,047	43,931	86,052
Impairment of long-lived assets			10,686	11,974		
Disposition of assets and other gains		1,436	(11,183)	(997)	(302)	(2,715)
Total costs and expenses	583,101	606,658	2,345,392	1,668,320	449,176	1,210,614
Other expense (income)(5)	(3,397)	(1,460)	(10,267)	(9,818)	(6,778)	
Interest expense:						
Corporate borrowings	45,065	56,200	226,583	139,042	52,502	66,851
Capital and financing lease obligations	1,665	1,328	5,799	4,068	1,449	5,848
Equity in (earnings) losses of non-consolidated entities(12)	(2,253)	2,157	(233,704)	7,807	(161)	(129)
Investment (income)	(19,286)	(2,528)	(18,191)	(3,409)	(3,191)	(6,344)
Earnings (loss) from continuing operations before income taxes	17,597	(16,521)	145,959	(119,132)	(53,537)	(17,568)
Income tax provision (benefit)	3,000	300	31,500	71,800	(9,280)	14,760
Earnings (loss) from continuing operations	14,597	(16,821)	114,459	(190,932)	(44,257)	(32,328)
Earnings (loss) from discontinued operations, net of income tax benefit(2)		2,679	2,448	(25,291)	(133)	(3,550)

	Thirteen Week Periods		Years Ended(1)(3)(6)			
Net earnings loss	$ 14,597	$ (14,142)	$ 116,907	$ (216,223)	$ (44,390)	$ (35,878)
Preferred Dividends						104,300
Net earnings (loss) for shares of common stock	$ 14,597	$ (14,142)	$ 116,907	$ (216,223)	$ (44,390)	$ (140,178)
Basic earnings (loss) per share of common stock(13):						
Earnings (loss) from continuing operations	$ 11.38	$ (13.12)	$ 89.26	$ (222.50)	$ (147.32)	$ (3.69)
Earnings (loss) from discontinued operations		2.09	1.91	(29.47)	(0.44)	(0.10)
Net earnings (loss) per share	$ 11.38	$ (11.03)	$ 91.17	$ (251.97)	$ (147.76)	$ (3.79)
Average shares outstanding:						
Basic and diluted	1,282.34	1,282.25	1,282.25	858.12	300.41	37,023
Diluted earnings (loss) per share of common stock(13):						
Earnings (loss) from continuing operations	$ 11.23	$ (13.12)	$ 89.20	$ (222.50)	$ (147.32)	$ (3.69)
Earnings (loss) from discontinued operations		2.09	1.91	(29.47)	(0.44)	(0.10)
Net earnings (loss) per share	$ 11.23	$ (11.03)	$ 91.11	$ (251.97)	$ (147.76)	$ (3.79)

	Thirteen Week Periods		Years Ended(1)(3)(6)			
	13 Weeks Ended June 28, 2007	13 Weeks Ended June 29, 2006	52 Weeks Ended March 29, 2007(4)	52 Weeks Ended March 30, 2006(4)	From Inception July 16, 2004 through March 31, 2005(7)	April 2, 2004 through December 23, 2004(7)
	(Successor)	(Successor)	(Successor)	(Successor)	(Successor)	(Predecessor)
	(in thousands, except per share and operating data)					
Average shares outstanding:						
Diluted	1,299.55	1,282.25	1,283.20	858.12	300.41	37,023
Balance Sheet Data (at period end):						
Cash and equivalents	$ 94,068		$ 319,533	$ 232,366	$ 72,945	
Corporate borrowings	2,262,462		1,864,670	2,455,686	1,344,531	
Other long-term liabilities and deferred revenues	606,465		604,988	395,458	354,240	
Capital and financing lease obligations	74,096		53,125	68,130	65,470	
Stockholders' equity	525,243		1,167,053	1,042,642	722,038	
Total assets	3,923,190		4,118,149	4,407,351	2,797,511	
Other Data:						
Net cash provided by (used in) operating activities(11)	$ 72,738	$ 95,938	$ 417,870	$ 25,694	$ (45,364)	$ 145,364
Capital expenditures	(33,894)	(32,843)	(138,739)	(117,688)	(18,622)	(66,155)
Proceeds from sale/leasebacks				35,010	50,910	
Operating Data (at period end):						
Screen additions	46	30	128	137		44
Screen acquisitions			32	2,117	3,728	
Screen dispositions	60	180	675	150	14	28
Average screens continuing operations(10)	5,075	5,139	5,105	3,661	3,355	3,350
Number of screens operated	5,300	5,679	5,314	5,829	3,714	3,728
Number of theatres operated	377	417	379	428	247	249
Screens per theatre	14.1	13.6	14.0	13.6	15.0	15.0
Attendance (in thousands) continuing operations(10)	59,970	64,969	241,437	165,831	44,278	126,450

(1) There were no cash dividends declared on common stock during the last five fiscal years ended March 29, 2007. A dividend of $652,800 was declared and paid during the 13 weeks ended June 28, 2007.

(2) Fiscal 2007, 2006 and 2005 include losses from discontinued operations related to five theatres in Japan that were sold during fiscal 2006 and five theatres in Iberia that were sold during fiscal 2007. During the 13 weeks ended June 29, 2006, the Successor included earnings from discontinued operations of $2,679 (net of income tax benefit of $0). During fiscal 2007, the Successor included earnings from discontinued operations of $2,448 (net of income tax benefit of $0). During fiscal 2006, the Successor included loss from discontinued operations of $25,291 (net of income tax provision of $20,400). During fiscal 2005, the Successor included loss from discontinued operations of $133 (net of income tax provision of $80) and the Predecessor included loss from discontinued operations of $3,550 (net of income tax provision of $240).

(3) Fiscal 2007, Fiscal 2006, Fiscal 2005 (Successor) and Fiscal 2005 (Predecessor) have 52 weeks.

(4) We acquired Loews Cineplex Entertainment Corporation on January 26, 2006, which significantly increased our size. In the Loews Acquisition we acquired 112 theatres with 1,308 screens throughout the United States that we consolidate and 40 theatres with 443 screens in Mexico that we consolidate. Accordingly, results of operations for the Successor periods ended March 29, 2007 and March 30, 2006 are not comparable to our results for the prior fiscal year.

(5) During the 13 weeks ended June 28, 2007, other (income) is composed of $1,754 of income related to the derecognition of stored value card liabilities where management believes future redemption to be remote, insurance recoveries of $1,246 for property losses related to Hurricane Katrina and $397 of business interruption insurance recoveries related to Hurricane Katrina. During the 13 weeks ended June 29, 2006, other (income) is composed of $1,460 of income related to the derecognition of stored value card liabilities where management believes future redemption to be remote. During fiscal 2007, other expense (income) is composed of $10,992 of income related to the derecognition of stored value card liabilities where management

believes future redemption to be remote, insurance recoveries of $2,469 for property losses related to Hurricane Katrina, $294 of business interruption insurance recoveries related to Hurricane Katrina, call premiums, a write off of deferred financing costs and unamortized premiums related to the redemption of our 9$^{1}/_{2}$% Senior Subordinated Notes due 2011 (the "Notes due 2011"), our Senior Floating Rate Notes due 2010 (the "Floating Notes due 2010") and our 9$^{7}/_{8}$% Senior Subordinated Notes due 2012 (the "Notes due 2012") of $3,488. During fiscal 2006, other expense (income) is composed of $8,699 of income related to the derecognition of stored value card liabilities where management believes future redemption to be remote, insurance recoveries of $3,032 for property losses related to Hurricane Katrina, net of disposition losses of $346, $1,968 of business interruption insurance recoveries related to Hurricane Katrina and the write-off of deferred financing cost of $1,097 related to our former senior secured credit facility in connection with our issuance of the senior secured credit facility and $2,438 of fees related to an unused bridge facility in connection with the Loews Acquisition. During fiscal 2005, other expense (income) is composed of $6,745 of income related to the derecognition of stored value card liabilities where management believes future redemption to be remote and $33 of gain recognized on the redemption of $1,663 of the Notes due 2011.

(6)

As a result of the merger with Marquee, the Successor applied the purchase method of accounting to the separable assets, including goodwill, and liabilities of the accounting acquiree, AMC Entertainment, as of December 23, 2004. Because of the application of purchase accounting, Successor and Predecessor periods are not prepared on comparable bases of accounting.

(7) In connection with the merger with Marquee, Marquee was formed on July 16, 2004, and issued debt and held the related proceeds from issuance of debt in escrow until consummation of the merger. The Predecessor consolidated this merger entity in accordance with FIN 46(R). As a result, both the Predecessor and Successor have recorded interest expense of $12,811, interest income of $2,225 and income tax benefit of $4,500 related to Marquee.

(8) Includes stock-based compensation of $500 for the 13 weeks ended June 28, 2007 and $1,020 for the 13 weeks ended June 29, 2006. Includes stock-based compensation of $10,568 for the 52 week period ended March 29, 2007. Includes stock-based compensation of $3,433 for the 52 week period ended March 30, 2006 (Successor), and includes stock based compensation of $1,201 and $0 during Fiscal 2005 (Successor) and Fiscal 2005 (Predecessor), respectively.

(9) Restructuring charges related to one-time termination benefits and other costs related to the displacement of approximately 200 associates in connection with an organizational restructuring, which was completed to create a simplified organizational structure, and contribution of assets by NCN to NCM. This organizational restructuring was substantially completed as of March 30, 2006.

(10) Includes consolidated theatres only.

(11) Cash flows provided by operating activities for the 52 weeks ended March 29, 2007 includes $231,308 related to the NCM Transactions. Cash flows provided by operating activities for the 52 weeks ended March 30, 2006 do not include $142,512 of cash acquired in the Loews Acquisition which is included in cash flows from investing activities.

(12) During fiscal 2007, equity in (earnings) losses of non-consolidated entities includes a gain of $238,810 related to the NCM Transactions.

(13) Historical loss per share data and average shares outstanding set forth above and in our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus does not give effect to the Reclassification. After giving pro forma effect to the Reclassification, the Successor would have had net earnings (loss) per share of $, $, $, $, $ and $ for the 13 weeks ended June 28, 2007, the 13 weeks ended June 29, 2006, and Fiscal 2007 (Successor), Fiscal 2006 (Successor), Fiscal 2005 (Successor) and Fiscal 2005 (Predecessor), respectively.

LCE Holdings, Inc.

The following tables set forth certain of LCE Holdings' historical financial and operating data. The summary historical financial data for the year ended December 31, 2003, the seven months ended July 31, 2004, the five months ended December 31, 2004 and the year ended December 31, 2005 are derived from LCE Holdings' audited combined consolidated financial statements and related notes for such periods included in this prospectus. LCE Holdings' financial statements include the assets, liabilities and results of operations of Cinemex on a combined basis for the period June 19, 2002 (the date Cinemex became an entity under common control) through July 31, 2004 and on a fully consolidated basis beginning August 1, 2004. LCE Holdings has reflected the financial position and results of operations of its former Canadian operations and discontinued operations for all periods from April 1, 2002 to July 31, 2004, as those operations were sold to affiliates of its former investors.

On July 30, 2004, LCE Holdings completed certain of the Loews Transactions (as defined under "LCE Holdings' Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Developments The Loews Transactions"), whereby LCE Holdings, a company formed by Bain, Carlyle and Spectrum, acquired 100% of the capital stock of Loews and, indirectly, Cinemex. The purchase of Loews and Cinemex was financed with borrowings by Loews under its senior secured credit facility, the issuance of subordinated notes and cash equity investments by Bain, Carlyle and Spectrum. Prior to the closing of the acquisition, Loews sold all of its Canadian and German film exhibition operations to its former investors, who indemnified Loews for certain potential liabilities in connection with those sales. In this prospectus, we refer to the transactions described in this paragraph and the payment of fees and expenses related thereto, along with the sale by Loews of its 50% interest in Megabox, Loews' joint venture in South Korea, as the "Loews Transactions." For accounting purposes and consistent with its reporting periods, LCE Holdings has used July 31, 2004 as the effective date of the Loews Transactions. As a result, LCE Holdings has reported its operating results and financial position for all periods presented from April 1, 2002 through July 31, 2004 as those of the "Predecessor Company" and for all periods from and after August 1, 2004 as those of the "Successor Company." The Predecessor Company periods and the Successor Company periods have different bases of accounting and are therefore not comparable.

The summary historical financial and operating data presented below should be reading conjunction with "LCE Holdings' Managements' Discussion and Analysis of Financial Condition and Results of Operations," the combined consolidated financial statements, including the notes thereto, of LCE Holdings, included elsewhere in this prospectus.

	Year ended December 31, 2005	Period August 1, to December 31, 2004	Period January 1, to July 31, 2004	Year ended December 31, 2003
	(Successor)	(Successor)	(Predecessor)	(Predecessor)
	(thousands of dollars, except operating data)			
Statement of Operations Data:				
Total operating revenues	$ 874,716	$ 356,038	$ 567,280	$ 928,238
Expenses				
Theatre operations and other expenses	649,290	264,608	404,674	681,493
Cost of concessions	36,648	13,948	23,365	35,460
General and administrative	53,771	20,934	43,334	60,099
Depreciation and amortization	114,063	45,771	49,623	80,940
(Gain)/Loss on sale/disposal of theatres(1)	834	1,430	(3,734)	(4,508)
Total operating expense	854,606	346,691	517,262	853,484
Income/(loss) from operations	20,110	9,347	50,018	74,754
Interest expense, net	80,668	36,005	16,663	35,262
Loss on early extinguishment of debt		882	6,856	
Equity (income)/loss in long-term investments	(23,134)	(1,438)	(933)	1,485
Income/(loss) before income taxes, extraordinary gain, cumulative effect of change in accounting principle and discontinued operations	(37,424)	(26,102)	27,432	38,007
Income tax expense/(benefit)	7,548	(3,244)	12,886	15,339
Income/(loss) before extraordinary gain, cumulative effect of change in accounting principle and discontinued operations	(44,972)	(22,858)	14,546	22,668
Discontinued operations, net of tax(2)			7,417	56,183
Net income/(loss)	$ (44,972)	$ (22,858)	$ 21,963	$ 78,851
Balance Sheet Data (at period end):				
Cash and equivalents	$ 145,324	$ 71,015		$ 139,425
Corporate borrowings	1,044,264	1,037,907		429,865
Other long-term liabilities	104,553	113,290		247,221
Capital and financing lease obligations	29,351	28,033		22,249
Stockholders' equity/(deficit)	364,839	405,390		683,384
Total assets	1,713,140	1,751,958		1,597,319
Other Data:				
Net cash provided by (used in) operating activities(3)	$ 67,441	$ 38,097	$ 75,226	$ 88,959
Capital Expenditures	(67,326)	(17,205)	(36,638)	(40,895)
Proceeds from sale/leasebacks				
Operating Data (at period end):				
Screen additions	67	51	12	59
Screen acquisitions			12	
Screen dispositions	62	26	50	48
Average screens continuing operations(4)	1,806	1,798	1,806	1,834
Number of screens operated	2,169	2,218	2,193	2,219
Number of theatres operated	191	201	200	207
Screens per theatre	11.4	11.0	11.0	10.7

	Year ended December 31, 2005	Period August 1, to December 31, 2004	Period January 1, to July 31, 2004	Year ended December 31, 2003
Attendance (in thousands) continuing operations(8)	94,953	39,850	65,967	106,797

(1) With respect to Loews' (gain)/loss on sale/disposal of theatres costs, see the notes to its combined consolidated financial statements, which are included in this prospectus.

(2)
The balances reported for discontinued operations for the year ended December 31, 2003 and the seven months ended July 31, 2004 represent the net operating results of Loews' Canadian operations, which management decided to sell during 2004 and was sold to its former investors as part of the Loews Transactions.

(3)
Cash provided by/(used in) operating activities includes the payment of restructuring charges and reorganization costs, as follows:

(4)
Includes consolidated theatres only.

	Year ended December 31, 2005	Period August 1, to December 31, 2004	Period January 1, to July 31, 2004	Year ended December 31, 2003
	(Successor)	(Successor)	(Predecessor)	(Predecessor)
Restructuring charges paid during the period	$	$ 17	$ 13	$ 3,065
Reorganization claims paid during the period		352	522	3,210
Total	$	$ 369	$ 535	$ 6,275

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RISK FACTORS

Before you decide to purchase shares of our common stock, you should understand the high degree of risk involved. You should consider carefully the following risks and other information in this prospectus, including our pro forma and historical financial statements and related notes. If any of the following risks actually occur, our business, financial condition and operating results could be adversely affected. As a result, the trading price of our common stock could decline, perhaps significantly.

Risks Related to Our Business

Our substantial debt could adversely affect our operations and prevent us from satisfying our obligations under our debt obligations, and may have an adverse effect on the price of our stock.

We have a significant amount of debt. As of June 28, 2007, on a pro forma basis, we had $1,938.7 million of outstanding indebtedness. In addition, as of June 28, 2007, on a pro forma basis, $177.5 million was available for borrowing as additional senior debt under our senior secured credit facility. As of June 28, 2007, on a pro forma basis, our subsidiaries had approximately $5 billion of undiscounted rental payments under operating leases (with initial base terms of between 15 and 20 years).

The amount of our indebtedness and lease and other financial obligations could have important consequences to you. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to obtain additional financing in the future for working capital, capital expenditures, dividend payments, acquisitions, general corporate purposes or other purposes;
- require us to dedicate a substantial portion of our cash flow from operations to the payment of lease rentals and principal and interest on our indebtedness, thereby reducing the funds available to us for operations and any future business opportunities;
- limit our planning flexibility for, or ability to react to, changes in our business and the industry; and
- place us at a competitive disadvantage with competitors who may have less indebtedness and other obligations or greater access to financing.

If we fail to make any required payment under our senior secured credit facility or to comply with any of the financial and operating covenants contained therein, we would be in default. Lenders under our senior secured credit facility could then vote to accelerate the maturity of the indebtedness under the senior secured credit facility and foreclose upon the stock and personal property of our subsidiaries that is pledged to secure the senior secured credit facility. Other creditors might then accelerate other indebtedness. If the lenders under the senior secured credit facility accelerate the maturity of the indebtedness thereunder, we might not have sufficient assets to satisfy our obligations under the senior secured credit facility or our other indebtedness. See "Management's Discussion and Analysis of Financial Condition and Results of Operations of AMC Entertainment Holdings, Inc. Liquidity and Capital Resources."

Our indebtedness under our senior secured credit facility bears interest at rates that fluctuate with changes in certain prevailing interest rates (although, subject to certain conditions, such rates may be fixed for certain periods). If interest rates increase, we may be unable to meet our debt service obligations under our senior secured credit facility and other indebtedness.

We have had significant financial losses in recent years.

Prior to fiscal 2007, we had reported net losses in each of the last nine fiscal years totaling approximately $512.0 million. For fiscal 2007, we reported net earnings of $116.9 million and for the thirteen weeks ended June 28, 2007, we reported net earnings of $14.6 million. If we continue to experience such losses, we may be unable to meet our payment obligations while attempting to expand our theatre circuit and withstand competitive pressures or adverse economic conditions.

We face significant competition for new theatre sites, and we may not be able to build or acquire theatres on terms favorable to us.

We anticipate significant competition from other exhibition companies and financial buyers when trying to acquire theatres, and there can be no assurance that we will be able to acquire such theatres at reasonable prices or on favorable terms. Moreover, some of these possible buyers may be stronger financially than we are. In addition, given our size and market share, as well as our recent experiences with the Antitrust Division of the United States Department of Justice in connection with the Loews Acquisition and prior acquisitions, we may be required to dispose of theatres in connection with future acquisitions that we make. As a result of the foregoing, we may not succeed in acquiring theatres or may have to pay more than we would prefer to make an acquisition.

Acquiring or expanding existing circuits and theatres may require additional financing, and we cannot be certain that we will be able to obtain new financing on favorable terms, or at all.

Our net capital expenditures aggregated approximately $138.7 million for fiscal 2007. We estimate that our planned capital expenditures will be between $150.0 million and $160.0 million in fiscal 2008 and less than that in each of fiscal 2009 and 2010. Actual capital expenditures in fiscal 2008, 2009 and 2010 may differ materially from our estimates. We may have to seek additional financing or issue additional securities to fully implement our growth strategy. We cannot be certain that we will be able to obtain new financing on favorable terms, or at all. In addition, covenants under our existing indebtedness limit our ability to incur additional indebtedness, and the performance of any additional theatres may not be sufficient to service the related indebtedness that we are permitted to incur.

Acquisition opportunities that would increase our number of theaters in markets where we have a leading market share may result in an antitrust review that requires us to dispose of theatres in such markets in order to complete such acquisitions.

Given our size and market share, pursuit of acquisition opportunities that would increase the number of our theatres in markets where we have a leading market share would likely result in significant review by the Antitrust Division of the United States Department of Justice, and we may be required to dispose of theatres in order to complete such acquisition opportunities. For example, pursuant to with the Loews Dispositions, we were required to dispose of 10 theaters located in various markets across the United States, including New York City, Chicago, Dallas and San Francisco. As a result, we may not be able to succeed in acquiring other exhibition companies or may have to dispose of a significant number of theatres in key markets in order to complete such acquisitions.

The agreements governing our indebtedness contain covenants that may limit our ability to take advantage of certain business opportunities advantageous to us.

The agreements governing our indebtedness contain various covenants that limit our ability to, among other things:

- incur or guarantee additional indebtedness;
- pay dividends or make other distributions to our shareholders;

- make restricted payments;
- incur liens;
- engage in transactions with affiliates; and
- enter into business combinations.

These restrictions could limit our ability to obtain future financing, make acquisitions or needed capital expenditures, withstand economic downturns in our business or the economy in general, conduct operations or otherwise take advantage of business opportunities that may arise.

Although the indentures for our notes contain a fixed charge coverage test that limits our ability to incur indebtedness, this limitation is subject to a number of significant exceptions and qualifications. Moreover, the indentures do not impose any limitation on our incurrence of capital or finance lease obligations or liabilities that are not considered "Indebtedness" under the indentures (such as operating leases), nor do they impose any limitation on the amount of liabilities incurred by subsidiaries, if any, that might be designated as "unrestricted subsidiaries," which are subsidiaries that we designate, which are not subject to the restrictive covenants contained in the indentures governing our notes. Furthermore, there are no restrictions in the indentures on our ability to invest in other entities (including unaffiliated entities) and no restrictions on the ability of our subsidiaries to enter into agreements restricting their ability to pay dividends or otherwise transfer funds to us. Also, although the indentures limit our ability to make restricted payments, these restrictions are subject to significant exceptions and qualifications. See "Prospectus Summary Summary Unaudited Pro Forma Financial and Operating Data Covenant Compliance."

We may not generate sufficient cash flow from our theatre acquisitions to service our indebtedness.

In any acquisition, we expect to benefit from cost savings through, for example, the reduction of overhead and theatre level costs, and from revenue enhancements resulting from the acquisition. However, there can be no assurance that we will be able to generate sufficient cash flow from these acquisitions to service any indebtedness incurred to finance such acquisitions or realize any other anticipated benefits. Nor can there be any assurance that our profitability will be improved by any one or more acquisitions. Any acquisition may involve operating risks, such as:

- the difficulty of assimilating and integrating the acquired operations and personnel into our current business;
- the potential disruption of our ongoing business;
- the diversion of management's attention and other resources;
- the possible inability of management to maintain uniform standards, controls, procedures and policies;
- the risks of entering markets in which we have little or no experience;
- the potential impairment of relationships with employees;
- the possibility that any liabilities we may incur or assume may prove to be more burdensome than anticipated; and
- the possibility that the acquired theatres do not perform as expected.

If our cash flows prove inadequate to service our debt and provide for our other obligations, we may be required to refinance all or a portion of our existing debt or future debt at terms unfavorable to us.

Our ability to make payments on and refinance our debt and other financial obligations, and to fund our capital expenditures and acquisitions will depend on our ability to generate substantial operating cash flow. This will depend on our future performance, which will be subject to prevailing economic conditions and to financial, business and other factors beyond our control. Further, following this offering and subject to legally available funds, we intend to pay quarterly cash dividends, commencing from the closing date of this offering. We expect that our first dividend will be with respect to the third quarter of fiscal 2008 and paid as soon as practicable after February 15, 2008. The maximum amount AMC Entertainment was permitted to distribute to Holdings in compliance with its senior secured credit facility and the indentures governing AMC Entertainment's debt securities, and that Holdings could therefore have distributed to us, was approximately $186.0 million as of June 28, 2007.

In addition, our notes require us to repay or refinance those notes when they come due. If our cash flows were to prove inadequate to meet our debt service, rental and other obligations in the future, we may be required to refinance all or a portion of our existing or future debt, on or before maturity, to sell assets or to obtain additional financing. We cannot assure you that we will be able to refinance any of our indebtedness, including our senior secured credit facility, sell any such assets or obtain additional financing on commercially reasonable terms or at all.

The terms of the agreements governing our indebtedness do not prohibit us from incurring additional indebtedness. If we are in compliance with the financial covenants set forth in the senior secured credit facility and our other outstanding debt instruments, we may be able to incur substantial additional indebtedness. If we incur additional indebtedness, the related risks that we face may intensify.

Optimizing our theatre circuit through new construction is subject to delay and unanticipated costs.

The availability of attractive site locations is subject to various factors that are beyond our control. These factors include:

- local conditions, such as scarcity of space or increase in demand for real estate, demographic changes and changes in zoning and tax laws; and

- competition for site locations from both theatre companies and other businesses.

In addition, we typically require 18 to 24 months in the United States and Canada from the time we identify a site to the opening of the theatre. We may also experience cost overruns from delays or other unanticipated costs. Furthermore, these new sites may not perform to our expectations.

Our investment in and revenues from NCM may be negatively impacted by the competitive environment in which NCM operates.

We have maintained an investment in NCM. NCM's in-theatre advertising operations compete with other cinema advertising companies and other advertising mediums including, most notably, television, newspaper, radio and the Internet. There can be no guarantee that in-theatre advertising will continue to attract major advertisers or that NCM's in-theatre advertising format will be favorably received by the theater-going public. If NCM is unable to generate expected sales of advertising, it may not maintain the level of profitability we hope to achieve, its results of operations may be adversely affected and our investment in and revenues from NCM may be adversely impacted.

We may suffer future impairment losses and lease termination charges.

The opening of large megaplexes by us and certain of our competitors has drawn audiences away from some of our older, multiplex theatres. In addition, demographic changes and competitive pressures have caused some of our theatres to become unprofitable. As a result, we may have to close certain theatres or recognize impairment losses related to the decrease in value of particular theatres. We review long-lived assets, including intangibles, for impairment as part of our annual budgeting process and whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. We recognized non-cash impairment losses in 1996 and in each fiscal year thereafter except for 2005. AMC Entertainment's impairment losses from continuing operations over this period aggregated to $198.8 million. Loews' impairment losses aggregated $4 million in the period since it emerged from bankruptcy in 2002. Beginning fiscal 1999 through June 28, 2007, AMC Entertainment also incurred lease termination charges aggregating $62.1 million. Historically, Loews has not incurred lease termination charges on its theatres that were disposed of or closed. Deterioration in the performance of our theatres could require us to recognize additional impairment losses and close additional theatres, which could have an adverse effect on the trading price of our stock.

Our international and Canadian operations are subject to fluctuating currency values.

As of June 28, 2007, we owned, operated or held interests in megaplexes in Canada, Mexico, Argentina, Brazil, Chile, Uruguay, China (Hong Kong), France and the United Kingdom. Because the results of operations and the financial position of Cinemex and our other foreign operations, including our foreign joint ventures, are reported in their respective local currencies and then translated into U.S. dollars at the applicable exchange rates for inclusion in our consolidated financial statements, our financial results are impacted by currency fluctuations between the dollar and those local currencies. Revenues from our theatre operations outside the United States accounted for 9% of our total revenues during the 52 weeks ended March 29, 2007 and 10% of our total revenues during the 13 weeks ended June 28, 2007. As a result of our international operations, we have risks from fluctuating currency values. As of June 28, 2007, a 10% fluctuation in the value of the U.S. dollar against all foreign currencies of countries where we currently operate theatres would either increase or decrease loss before income taxes and accumulated other comprehensive loss by approximately $2,000 and $41.3 million, respectively. We do not currently hedge against foreign currency exchange rate risk.

Attendance levels at our international theatres depend on the market for local language films, and we sometimes have been unable to obtain the films we want for our theatres in certain foreign markets.

Consumers in international markets may be less inclined to spend their leisure time attending movies than consumers in the United States and Canada. The fact that a movie produced in the United States and targeted at U.S. audiences is successful in the United States does not necessarily mean that it will be successful internationally. In addition, there is generally a smaller market for local language films, and the overall supply of these films may not be adequate to generate a sufficient attendance level at our international theatres. As a result of such factors, attendance levels at some of our foreign theatres may not be sufficient to permit us to operate them on a positive cash flow basis. In addition, because of existing relationships between distributors and other theatre owners, we sometimes have been unable to obtain the films we want for our theatres in certain foreign markets. As a result of these factors, attendance at some of our international theatres may not be sufficient to permit us to operate them profitably.

Our international theatres are subject to local industry structure and regulatory and trade practices, which may adversely affect our ability to operate at a profit.

Risks unique to local markets include:

- unexpected changes in tariffs and other trade barriers;
- changes in foreign government regulations;
- inflation;
- price, wage and exchange controls;
- reduced protection for intellectual property rights in some countries;
- licensing requirements;
- potential adverse tax consequences; and
- uncertain political and economic environments.

Such risks may limit or disrupt motion picture exhibition and markets, restrict the movement of funds or result in the deprivation of contract rights or the taking of property by nationalization or appropriation without fair compensation and may adversely affect our ability to expand internationally.

We must comply with the ADA, which could entail significant cost.

Our theatres must comply with Title III of the Americans with Disabilities Act of 1990, or ADA. Compliance with the ADA requires that public accommodations "reasonably accommodate" individuals with disabilities and that new construction or alterations made to "commercial facilities" conform to accessibility guidelines unless "structurally impracticable" for new construction or technically infeasible for alterations. Non-compliance with the ADA could result in the imposition of injunctive relief, fines, an award of damages to private litigants or additional capital expenditures to remedy such noncompliance.

On January 29, 1999, the Department of Justice, or the Department, filed suit alleging that AMC Entertainment's stadium-style theatres violate the ADA and related regulations. On December 5, 2003, the trial court entered a consent order and final judgment under which AMC Entertainment agreed to remedy certain violations at twelve of its stadium-style theatres and to survey and make required betterments for its patrons with disabilities at its stadium-style theatres and at certain theatres it may open in the future. On January 10, 2006, the trial court ruled in favor of the Department. Currently AMC Entertainment estimates that these betterments will be required at approximately 140 stadium-style theatres. AMC Entertainment estimates that the total cost of these betterments will be $47.5 million, which is expected to be incurred over the remaining term of the consent order of 18 months. Through June 28, 2007 AMC Entertainment has incurred approximately $14.4 million of these costs. AMC Entertainment has appealed the trial court's order to the Ninth Circuit Court of Appeals and both parties have filed their briefs. See "Business Legal Proceedings" of this prospectus.

We will not be fully subject to the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 until the end of our fiscal year 2009.

We will be required to document and test our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, which requires annual management assessments and reports by an issuer's independent registered public accounting firm on the effectiveness of internal controls over financial reporting. We must complete our Section 404 annual management report and include the report beginning in our Annual Report on Form 10-K for our fiscal 2008, which ends in April 2008. Our independent registered public accounting firm will not,

however, need to include its attestation report in our annual report for fiscal 2008. Instead, the attestation of our independent registered public accounting firm will be included beginning in our Annual Report on Form 10-K for our fiscal 2009, which ends in April 2009.

We are party to significant litigation.

We are subject to a number of legal proceedings and claims that arise in the ordinary course of our business. We cannot be assured that we will succeed in defending any claims, that judgments will not be entered against us with respect to any litigation or that reserves we may set aside will be adequate to cover any such judgments. If any of these actions or proceedings against us is successful, we may be subject to significant damages awards. In addition, we are the plaintiff in a number of material lawsuits in which we seek the recovery of substantial payments. We are incurring significant legal fees in prosecuting these lawsuits, and we may not ultimately prevail in such lawsuits or be able to collect on such judgments if we do. In addition, the defense and prosecution of these claims divert the attention of our management and other personnel for significant periods of time. For a description of our legal proceedings, see "Business Legal Proceedings" of this prospectus.

This offering will require us to make a "change of control" offer on certain series of our indebtedness, and we may not have the ability to raise the funds necessary to finance these offers.

In connection with the offering, the Sponsors and certain other existing stockholders of Parent intend to enter into a new voting arrangement, effective upon the closing of the offering, which is described in more detail under "Certain Relationships and Related Party Transactions Governance Agreements." As a result of these new voting arrangements, the offering will constitute a "change of control" under the indentures governing Holdings' Discount Notes due 2014 and AMC Entertainment's Notes due 2016 and Fixed Notes due 2012, and Holdings and AMC Entertainment will be required to make change of control offers to purchase these notes after completion of the offering at a price of 101% of the aggregate principal amount thereof plus, without duplication, accrued and unpaid interest to the date of repurchase. If the change of control offers had taken place on June 28, 2007, and all of the holders had accepted the offers, we would have been required to pay $239.6 million with respect to our Discount Notes due 2014 (representing $237.3 million aggregate principal amount and a $2.4 million change of control premium payment), $328.3 million with respect to our Notes due 2016 (representing $325.0 million aggregate principal amount and a $3.3 million change of control premium payment) and $252.5 million with respect to our Fixed Notes due 2012 (representing $250.0 million aggregate principal amount and a $2.5 million change of control premium payment). To the extent that holders of these notes accept the offers, Holdings and AMC Entertainment anticipate that they would raise the amounts needed to fund the offers with cash on hand, available lines of credit or through new financing; however, we cannot assure you that Holdings and AMC Entertainment would have sufficient funds available or be able to obtain new financing on commercially reasonable terms or at all.

We may be subject to liability under environmental laws and regulations.

We own and operate facilities throughout the United States and in several foreign countries and are subject to the environmental laws and regulations of those jurisdictions, particularly laws governing the cleanup of hazardous materials and the management of properties. We might in the future be required to participate in the cleanup of a property that we own or lease, or at which we have been alleged to have disposed of hazardous materials from one of our facilities. In certain circumstances, we might be solely responsible for any such liability under environmental laws, and such claims could be material.

Our loss of key management personnel or our inability to hire and retain skilled employees at our theatres could adversely affect our business.

Our success is dependent in part on the efforts of key members of our management team. In particular, Mr. Peter C. Brown, our chairman and chief executive officer, has substantial experience and expertise in the theatrical exhibition industry and has made significant contributions to our growth and success. The loss of Mr. Brown's services or the services of other key members of our management team could materially adversely affect our business, financial condition, results of operations or prospects.

In addition, competition for skilled professionals is intense. The loss of any of these professionals or the inability to recruit these individuals in our markets could adversely affect our ability to operate our business efficiently and profitably and could harm our ability to maintain our desired levels of service.

We may suffer material losses or damages, or be required to make material payments on existing lease and other guaranty obligations, concerning entities, businesses and assets we no longer own as a result of the disposition by Loews of its Canadian and German film exhibition operations prior to the Loews Acquisition, and we may not be able to collect on indemnities from the purchaser of our Canadian and German film exhibition operations in order to satisfy these losses, damages or payments.

We may suffer losses or damages as a result of claims asserted by third parties relating to the Canadian and German entities which Loews no longer owns as a result of dispositions by Loews prior to the Loews Acquisition. While we cannot predict at this time what claims third parties may potentially assert against us, or the frequency or magnitude of such claims, such claims may include matters related to Loews' former ownership and operation of the Canadian and German entities and their respective businesses or assets (including matters related to the initial public offering of the Cineplex Galaxy Income Fund in Canada). In addition, Loews has guaranteed certain real property leases for theatres located in Canada and in Germany which Loews no longer owns following the Loews transactions. The Canadian leases are long-term leases and contain options for additional terms which, if exercised, could extend the leases for substantial additional periods.

Under a purchase agreement for the Canadian transfer, Loews' former investors have indemnified Loews for certain potential liabilities in connection with the sale of its Canadian and German entities, which indemnity is guaranteed by Cineplex Odeon Corporation, or COC, which was Loews' wholly-owned Canadian subsidiary, prior to its sale. It also contains provisions intended to restrict the activities of the purchaser of Canadian operations and COC and to cause the indemnifying party and COC collectively to hold a specified amount of assets. However, there can be no assurance that the assets available to satisfy these obligations will be sufficient. Accordingly, we may suffer damages or losses, or be required to make payments on outstanding guaranties, for which we may not be made whole under the indemnity. Such damages or losses, or required payments, may have a material adverse effect on our business, assets and results of operations.

We also often remain secondarily obligated for lease payments in the event the acquiring entity does not perform under its obligations for theaters we are divesting of, including the theatres required to be divested by us by the U.S. Department of Justice and state attorneys general, in conjunction with the Loews Acquisition.

We may not be able to generate additional ancillary revenues.

We intend to continue to pursue ancillary revenue opportunities such as advertising, promotions and alternative uses of our theatres during non-peak hours. Our ability to achieve our business objectives may depend in part on our success in increasing these revenue streams. Some of our U.S. and Canadian competitors have stated that they intend to make significant capital investments in digital

advertising delivery, and the success of this delivery system could make it more difficult for us to compete for advertising revenue. In addition, in March 2005, we contributed our cinema screen advertising business to NCM. As such, although we retain board seats in NCM, we do not control this business, and therefore do not control our revenues attributable to cinema screen advertising. We cannot assure you that we will be able to effectively generate additional ancillary revenue and our inability to do so could have an adverse effect on our business and results of operations.

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. In the past, we have identified a material weakness in our internal control over financial reporting and concluded that our disclosure controls and procedures were ineffective. In addition, we may in the future discover areas of our internal controls that need improvement or that constitute material weaknesses. A material weakness is a control deficiency or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of annual or interim financial statements will not be prevented or detected. Any failure to remediate any future material weaknesses in our internal control over financial reporting or to implement and maintain effective internal controls, or difficulties encountered in their implementation, could cause us to fail to timely meet our reporting obligations, result in material misstatements in our financial statements or could result in defaults under our senior credit facility, the indentures governing our debt securities or under any other debt instruments we may enter into in the future. Deficiencies in our internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

Risks Related to Our Industry

We depend on motion picture production and performance.

Our ability to operate successfully depends upon the availability, diversity and appeal of motion pictures, our ability to license motion pictures and the performance of such motion pictures in our markets. We mostly license first-run motion pictures, the success of which have increasingly depended on the marketing efforts of the major studios. Poor performance of, or any disruption in the production of (including by reason of a strike) these motion pictures, or a reduction in the marketing efforts of the major studios, could hurt our business and results of operations. In addition, a change in the type and breadth of movies offered by studios may adversely affect the demographic base of moviegoers.

The master contract between film producers and two major writers' unions is scheduled to expire on October 31, 2007, and no agreement has yet been reached to extend or replace the contract. If union members choose to strike or film producers choose to lock out the union members, a disruption in the production of motion pictures could result.

We have no control over distributors of the films and our business may be adversely affected if our access to motion pictures is limited or delayed.

We rely on distributors of motion pictures, over whom we have no control, for the films that we exhibit. Major motion picture distributors are required by law to offer and license film to exhibitors, including us, on a film-by-film and theatre-by-theatre basis. Consequently, we cannot assure ourselves of a supply of motion pictures by entering into long-term arrangements with major distributors, but must compete for our licenses on a film-by-film and theatre-by-theatre basis. Our business depends on maintaining good relations with these distributors, as this affects our ability to negotiate commercially favorable licensing terms for first-run films or to obtain licenses at all. Our business may be adversely affected if our access to motion pictures is limited or delayed because of a deterioration in our relationships with one or more distributors or for some other reason. To the extent that we are unable to license a popular film for exhibition in our theatres, our operating results may be adversely affected.

We are subject, at times, to intense competition.

Our theatres are subject to varying degrees of competition in the geographic areas in which we operate. Competitors may be national circuits, regional circuits or smaller independent exhibitors. Competition among theatre exhibition companies is often intense with respect to the following factors:

Attracting patrons. The competition for patrons is dependent upon factors such as the availability of popular motion pictures, the location and number of theatres and screens in a market, the comfort and quality of the theatres and pricing. Many of our competitors have sought to increase the number of screens that they operate. Competitors have built or may be planning to build theatres in certain areas where we operate, which could result in excess capacity and increased competition for patrons.

Licensing motion pictures. We believe that the principal competitive factors with respect to film licensing include licensing terms, number of seats and screens available for a particular picture, revenue potential and the location and condition of an exhibitor's theatres.

Low barriers to entry. We must compete with exhibitors and others in our efforts to locate and acquire attractive sites for our theatres. In areas where real estate is readily available, there are few barriers to entry that prevent a competing exhibitor from opening a theatre near one of our theatres.

The theatrical exhibition industry also faces competition from other forms of out-of-home entertainment, such as concerts, amusement parks and sporting events and from other distribution channels for filmed entertainment, such as cable television, pay per view and home video systems and from other forms of in-home entertainment.

Industry-wide screen growth has affected and may continue to affect the performance of some of our theatres.

In recent years, theatrical exhibition companies have emphasized the development of large megaplexes, some of which have as many as 30 screens in a single theatre. The industry-wide strategy of aggressively building megaplexes generated significant competition and rendered many older, multiplex theatres obsolete more rapidly than expected. Many of these theatres are under long-term lease commitments that make closing them financially burdensome, and some companies have elected to continue operating them notwithstanding their lack of profitability. In other instances, because theatres are typically limited use design facilities, or for other reasons, landlords have been willing to make rent concessions to keep them open. In recent years many older theatres that had closed are being reopened by small theatre operators and in some instances by sole proprietors that are able to negotiate significant rent and other concessions from landlords. As a result, there has been growth in

the number of screens in the U.S. and Canadian exhibition industry. This has affected and may continue to affect the performance of some of our theatres.

An increase in the use of alternative film delivery methods or other forms of entertainment may drive down our attendance and limit our ticket prices.

We compete with other movie delivery methods, including network, cable and satellite television, DVDs and video cassettes, as well as video-on-demand, pay-per-view services and downloads via the Internet. We also compete for the public's leisure time and disposable income with other forms of entertainment, including sporting events, live music concerts, live theatre and restaurants. An increase in the popularity of these alternative film delivery methods and other forms of entertainment could reduce attendance at our theatres, limit the prices we can charge for admission and materially adversely affect our business and results of operations and the price of our stock.

General political, social and economic conditions can reduce our attendance.

Our success depends on general political, social and economic conditions and the willingness of consumers to spend money at movie theatres. If going to motion pictures becomes less popular or consumers spend less on concessions, which accounted for 28% of AMC Entertainment's revenues in fiscal 2007, our operations could be adversely affected. In addition, our operations could be adversely affected if consumers' discretionary income falls as a result of an economic downturn. Political events, such as terrorist attacks, could cause people to avoid our theatres or other public places where large crowds are in attendance.

Industry-wide conversion to electronic-based media may increase our costs.

The industry is in the early stages of conversion from film-based media to digital cinema. There are a variety of constituencies associated with this anticipated change that may significantly impact industry participants, including content providers, distributors, equipment providers and venue operators. While content providers and distributors have indicated they would bear substantially all of the costs of this change, there can be no assurance that we will have access to adequate capital to finance the conversion costs associated with this potential change should the conversion process rapidly accelerate or the content providers and distributors elect to not bear the related costs. Furthermore, it is impossible to accurately predict how the roles and allocation of costs between various industry participants will change if the industry changes from physical media to electronic media.

Risks Related to This Offering

Future sales of our common stock could cause the market price for our common stock to decline.

Upon consummation of this offering, there will be shares of our common stock outstanding. All shares of common stock sold in this offering will be freely transferable without restriction or further registration under the Securities Act of 1933, as amended (the "Securities Act"). Of the remaining shares of common stock outstanding, will be restricted securities within the meaning of Rule 144 under the Securities Act, but will be eligible for resale subject to applicable volume, manner of sale, holding period and other limitations of Rule 144. We cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. Sales of substantial amounts of shares of our common stock in the public market, or the perception that those sales will occur, could cause the market price of our common stock to decline. After giving effect to the Reclassification, the Sponsors will hold shares of our common stock, all of which constitute "restricted securities" under the Securities Act. Provided the holders comply with the applicable volume limits and other conditions prescribed in Rule 144 under the Securities Act, all of

these restricted securities are currently freely tradable. Additionally, as of the consummation of this offering, approximately shares of our common stock will be issuable upon exercise of stock options that vest and are exercisable at various dates through December 23, 2009, with an exercise price of $. Of such options, will be immediately exercisable. As soon as practicable after the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act covering shares of our common stock reserved for issuance under our equity incentive plan. Accordingly, shares of our common stock registered under such registration statement will be available for sale in the open market upon exercise by the holders, subject to vesting restrictions, Rule 144 limitations applicable to our affiliates and the contractual lock-up provisions described below.

We and certain of our shareholders, directors and officers have agreed to a "lock-up," pursuant to which neither we nor they will sell any shares without the prior consent of for 180 days after the date of this prospectus, subject to certain exceptions and extension under certain circumstances. Following the expiration of the applicable lock-up period, all these shares of our common stock will be eligible for future sale, subject to the applicable volume, manner of sale, holding period and other limitations of Rule 144. In addition, the Sponsors have certain demand and "piggy-back" registration rights with respect to the common stock that they will retain following this offering. See "Shares Eligible for Future Sale" for a discussion of the shares of common stock that may be sold into the public market in the future, including common stock held by the Sponsors.

Our stock price may be volatile and may decline substantially from the initial offering price.

Immediately prior to this offering, there has been no public market for our common stock, and an active trading market for our common stock may not develop or continue upon completion of the offering. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of the price at which our common stock will trade after the offering.

The stock market in general has experienced extreme price and volume fluctuations in recent years. These broad market fluctuations may adversely affect the market price of our common stock, regardless of our actual operating performance. You may be unable to resell your shares at or above the public offering price because of a number of factors, including:

- actual or anticipated quarterly fluctuations in our operating results;
- changes in expectations of future financial performance or changes in estimates of securities analysts;
- changes in the market valuations of other companies;
- announcements relating to actions of other media companies, strategic relationships, acquisitions or industry consolidation;
- terrorist acts or wars; and
- general economic, market and political conditions including those not related to our business.

We may not generate sufficient cash flows or have sufficient restricted payment capacity under our senior secured credit facility or the indentures governing our debt securities to pay our intended dividends on the common stock.

Following this offering, and subject to legally available funds, we intend to pay quarterly cash dividends, commencing from the closing date of this offering. We expect that our first dividend will be with respect to the third quarter of fiscal 2008 and paid as soon as practicable after February 15, 2008. We are a holding company and will have no direct operations. We will only be able to pay dividends

from our available cash on hand and funds received from AMC Entertainment. AMC Entertainment's ability to make distributions to us will depend on its ability to generate substantial operating cash flow, service its indebtedness and comply with the restricted payments covenants in our senior secured credit facility and the indentures governing AMC Entertainment's debt securities. In addition, our ability to pay dividends to our stockholders will be subject to the terms of Parent's indebtedness. Our operating cash flow and ability to comply with restricted payments covenants in our debt instruments will depend on our future performance, which will be subject to prevailing economic conditions and to financial, business and other factors beyond our control. In addition, dividend payments are not mandatory or guaranteed, and our board of directors may never declare a dividend, decrease the level of dividends or entirely discontinue the payment of dividends. Your decision whether to purchase shares of our common stock should allow for the possibility that no dividends will be paid. You may not receive any dividends as a result of the following additional factors, among others:

- the agreements governing our indebtedness contain covenants that may limit our ability to take advantage of certain business opportunities advantageous to us that may arise;
- we are not legally or contractually required to pay dividends;
- while we currently intend to pay a regular quarterly dividend, this policy could be modified or revoked at any time;
- even if we do not modify or revoke our dividend policy, the actual amount of dividends distributed and the decision to make any distribution is entirely at the discretion of our board of directors and future dividends with respect to shares of our capital stock, if any, will depend on, among other things, our results of operations, cash requirements, financial condition, business opportunities, provisions of applicable law and other factors that our board of directors may deem relevant;
- the amount of dividends distributed is and will be subject to contractual restrictions under the restrictive payment covenants contained in:
  - the indentures governing our debt securities,
  - the terms of our senior secured credit facility, and
  - the terms of any other outstanding indebtedness incurred by us or any of our subsidiaries after the completion of this offering;
- the amount of dividends distributed is subject to state law restrictions; and
- our stockholders have no contractual or other legal right to dividends.

The maximum amount AMC Entertainment was permitted to distribute to Holdings in compliance with its senior secured credit facility and the indentures governing AMC Entertainment's debt securities, and that Holdings could therefore have distributed to us, was approximately $186.0 million as of June 28, 2007. As a result of the foregoing limitations on AMC Entertainment's ability to make distributions to Holdings, and on Holdings' ability to make distributions to us, we cannot assure you that we will be able to make all of our intended quarterly dividend payments.

We are controlled by the Sponsors, whose interests may not be aligned with our public stockholders.

Even after giving effect to this offering, the Sponsors will beneficially own approximately % of our common stock and will have the power to control our affairs and policies including with respect to the election of directors (and through the election of directors the appointment of management), the entering into of mergers, sales of substantially all of our assets and other extraordinary transactions. We intend to avail ourselves of the "controlled company" exception under the New York Stock Exchange rules which eliminates the requirement that we have a majority of independent directors on our board

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of directors and that we have compensation and nominating committees composed entirely of independent directors, but retains the requirement that we have an audit committee composed entirely of independent members. The governance agreements will provide that, initially, the Sponsors will collectively have the right to designate eight directors and that each will vote for the others' nominees. Additionally, our governance documents provide that directors shall be elected by a plurality of votes and do not provide for cumulative voting rights. The right to designate directors will reduce as the Sponsors' ownership percentage reduces, such that the Sponsors will not have the ability to nominate a majority of the board of directors once their collective ownership (together with the share ownership held by the JPMP and Apollo co-investors) becomes less than 50.1%. However, because our board of directors will be divided into three staggered classes, the Sponsors may be able to influence or control our affairs and policies even after they cease to own 50.1% of our outstanding common stock during the period in which the Sponsors' nominees finish their terms as members of our board but in any event no longer than would be permitted under applicable law and New York Stock Exchange listing requirements. The directors elected by the Sponsors will have the authority, subject to the terms of our debt, to issue additional stock, implement stock repurchase programs, declare dividends, pay advisory fees and make other decisions, and they may have an interest in our doing so.

The interests of the Sponsors could conflict with our public stockholders' interests in material respects. For example, the Sponsors could cause us to make acquisitions that increase the amount of our indebtedness or sell revenue-generating assets. Furthermore, the Sponsors are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. The Sponsors may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. In addition, our governance documents do not contain any provisions applicable to deadlocks among the members of our board, and as a result we may be precluded from taking advantage of opportunities due to disagreements among the Sponsors and their respective board designees. So long as the Sponsors continue to own a significant amount of the outstanding shares of our common stock, they will continue to be able to strongly influence or effectively control our decisions. See "Certain Relationships and Related Party Transactions Governance Agreements."

Our amended and restated certificate of incorporation and our amended and restated bylaws, as amended, contain anti-takeover protections, which may discourage or prevent a takeover of our company, even if an acquisition would be beneficial to our stockholders.

Provisions contained in our amended and restated certificate of incorporation and amended and restated bylaws, as amended, as well as provisions of the Delaware General Corporation Law, could delay or make it more difficult to remove incumbent directors or for a third party to acquire us, even if a takeover would benefit our stockholders. These provisions include:

- a classified board of directors;
- the sole power of a majority of the board of directors to fix the number of directors;
- limitations on the removal of directors;
- the sole power of the board of directors or the Sponsors, in the case of a vacancy of a Sponsor board designee, to fill any vacancy on the board of directors, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- the ability of our board of directors to designate one or more series of preferred stock and issue shares of preferred stock without stockholder approval;
- the inability of stockholders to act by written consent if less than 50.1% of our outstanding common stock is owned by the Sponsors, and

The inability of stockholders to call special meetings.

Our issuance of shares of preferred stock could delay or prevent a change of control of our company. Our board of directors has the authority to cause us to issue, without any further vote or action by the stockholders, up to shares of preferred stock, par value $0.01 per share, in one or more series, to designate the number of shares constituting any series, and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series. The issuance of shares of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders, even where stockholders are offered a premium for their shares.

Our incorporation under Delaware law, the ability of our board of directors to create and issue a new series of preferred stock or a stockholder rights plan and certain other provisions of our amended and restated certificate of incorporation and amended and restated bylaws could impede a merger, takeover or other business combination involving Parent or the replacement of our management or discourage a potential investor from making a tender offer for our common stock, which, under certain circumstances, could reduce the market value of our common stock. See "Description of Capital Stock."

Our issuance of preferred stock could dilute the voting power of the common stockholders.

The issuance of shares of preferred stock with voting rights may adversely affect the voting power of the holders of our other classes of voting stock either by diluting the voting power of our other classes of voting stock if they vote together as a single class, or by giving the holders of any such preferred stock the right to block an action on which they have a separate class vote even if the action were approved by the holders of our other classes of voting stock.

Our issuance of preferred stock could adversely affect the market value of our common stock.

The issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. For example, investors in the common stock may not wish to purchase common stock at a price above the conversion price of a series of convertible preferred stock because the holders of the preferred stock would effectively be entitled to purchase common stock at the lower conversion price causing economic dilution to the holders of common stock.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical information, this prospectus contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The words "forecast," "estimate," "project," "intend," "expect," "should," "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors, including those discussed in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of AMC Entertainment Holdings, Inc.," which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the following:

- national, regional and local economic conditions that may affect the markets in which we operate;
- the levels of expenditures on entertainment in general and movie theatres in particular;
- increased competition within movie exhibition or other competitive entertainment mediums;
- technological changes and innovations, including alternative methods for delivering movies to consumers;
- the popularity of theatre attendance and major motion picture releases;
- shifts in population and other demographics;
- our ability to renew expiring contracts at favorable rates, or to replace them with new contracts that are comparably favorable to us;
- our need for, and ability to obtain, additional funding for acquisitions and operations;
- risks and uncertainties relating to our significant indebtedness following the completion of this offering;
- fluctuations in operating costs;
- capital expenditure requirements;
- changes in interest rates; and
- changes in accounting principles, policies or guidelines.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative but not exhaustive. In addition, new risks and uncertainties may arise from time to time. Accordingly, all forward-looking statements should be evaluated with an understanding of their inherent uncertainty.

Except as required by law, we assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

USE OF PROCEEDS

We estimate the net proceeds from this offering to be approximately $469.1 million after deducting the underwriting discount and estimated expenses payable by us. If the underwriters exercise their over-allotment option for an additional shares, the estimated net proceeds will increase to $ million. We intend to apply the net proceeds from this offering to repay all amounts outstanding under the Parent Term Loan Facility, to make a lump sum payment pursuant to the Fee Agreement with our Sponsors and for general corporate purposes.

Borrowings under the Parent Term Loan Facility mature on June 13, 2012. The interest rate on such borrowings was 10.36% per annum as of June 28, 2007. The Parent Term Loan Facility was entered into to finance a dividend by Parent to its stockholders.

DIVIDEND POLICY

Following this offering and subject to legally available funds, we intend to pay a quarterly cash dividend at an annual rate initially equal to $ per share (or a quarterly rate initially equal to $ per share) of common stock, commencing from the closing date of this offering. We expect that our first dividend will be with respect to the third quarter of fiscal 2008 and paid as soon as practicable after February 15, 2008. Based on the approximately million shares of common stock to be outstanding after the offering, this dividend policy implies a quarterly cash requirement of approximately $ million.

We are a holding company and have no direct operations. We will only be able to pay dividends from our available cash on hand and funds received from AMC Entertainment. AMC Entertainment's ability to make any payments to us will depend upon many factors, including its operating results, cash flows and the terms of our senior secured credit facility and the indentures governing AMC Entertainment's debt securities. In addition, our ability to pay dividends to our stockholders will be subject to the terms of Parent's indebtedness. Although we have sustained net losses in prior periods and cannot assure you that we will be able to pay dividends on a quarterly basis or at all, we believe that a number of recent positive developments in our business have improved our ability to pay dividends in compliance with applicable state corporate law once this offering has been completed. These include: the completion of the Loews Acquisition, which increased the scale and cash flow of our company and generated and will generate significant synergies and cost savings; the $608.9 million reduction in our outstanding carrying value of indebtedness with the proceeds we received from the NCM Transactions, as well as cash on hand, which we anticipate will reduce our annual cash interest expense by approximately $42.0 million for the 52 weeks ended June 28, 2007; and the discontinuation of $5.0 million per year management fees paid to our Sponsors as a result of this offering. Further, we expect to continue to benefit from substantial net operating loss carryovers from prior periods that will be available for offsetting taxes that we may owe. Also, because the Delaware General Corporation Law, or the DGCL, permits corporations to pay dividends either out of surplus (generally, the excess of a corporation's net assets (total assets minus total liabilities) over its stated capital, in each case as defined and calculated in the manner prescribed by the DGCL) or net profits, we may be able to pay dividends even if we continued to report net losses in future periods.

The maximum amount AMC Entertainment was permitted to distribute to Holdings in compliance with its senior secured credit facility and the indentures governing AMC Entertainment's debt securities, and that Holdings could therefore have distributed to us, was approximately $186.0 million as of June 28, 2007.

The declaration and payment of any future dividends will be at the sole discretion of our board of directors after taking into account various factors, including legal requirements, AMC Entertainment's ability to make payments to us, our financial condition, operating results, free cash flow, available cash and current and anticipated cash needs.

On June 15, 2007, we paid a cash dividend of $652.8 million on the outstanding shares of our common stock.

CAPITALIZATION

The following table sets forth the cash and cash equivalents and capitalization of Parent as of June 28, 2007 (i) on an actual basis and (ii) on a pro forma basis giving effect to the Offering Transactions. The information in this table should be read in conjunction with "Unaudited Pro Forma Condensed Consolidated Financial Information," "Business," the unaudited pro forma condensed consolidated financial statements and the historical financial statements of Parent, Holdings and LCE Holdings and the respective accompanying notes thereto appearing elsewhere in this prospectus.

	As of June 28, 2007	
	Actual	Pro Forma
	(in thousands)	
Cash and cash equivalents	$ 94,068	$ 122,601
Short term debt (current maturities of long-term debt and capital and financing lease obligations)	$ 16,685	$ 16,685
Long-term debt:		
Parent Term Loan Facility	397,876	
12% senior discount notes due 2014(1)	237,257	237,257
8% senior subordinated notes due 2014	298,808	298,808
11% senior subordinated notes due 2016(1)	325,000	325,000
8$^{5}/_{8}$% senior fixed rate notes due 2012(1)	250,000	250,000
Senior secured credit facility:		
Revolving loan facility(2)		
Term loan	635,375	635,375
Existing Cinemex term loan facility	104,939	104,939
Capital and financing lease obligations	70,618	70,618
Total debt	2,336,558	1,938,682
Stockholders' equity		
Common Stock voting ($.01 par value shares authorized; shares issued and outstanding as of June 28, 2007 after giving pro forma effect to the Reclassification)		14
Class A-1 Common Stock voting ($.01 par value, 1,500,000 shares authorized; 382,475.00000 shares issued and outstanding as of June 28, 2007)	4	
Class A-2 Common Stock voting ($.01 par value, 1,500,000 shares authorized; 382,475.00000 shares issued and outstanding as of June 28, 2007)	4	
Class N Common Stock nonvoting ($.01 par value, 375,000 shares authorized; 5,628.77496 shares issued and outstanding as of June 28, 2007)		
Class L-1 Common Stock voting ($.01 par value, 1,500,000 shares authorized; 256,085.61252 shares issued and outstanding as of June 28, 2007)	3	
Class L-2 Common Stock voting ($.01 par value, 1,500,000 shares authorized; 256,085.61252 shares issued and outstanding as of June 28, 2007)	3	
Additional paid-in capital	663,569	1,132,658
Accumulated other comprehensive earnings (losses)	(3,858)	(3,858)
Accumulated deficit	(134,482)	(187,703)
Total stockholders' equity	525,243	941,111
Total capitalization	$ 2,861,801	$ 2,879,793

(1)

In connection with the offering, the Sponsors and certain other existing stockholders of Holdings intend to enter into a new voting arrangement, effective upon the closing of the offering, which is described in more detail under "Certain Relationships and Related Party Transactions Governance Agreements." As a result of these new voting arrangements, the offering will constitute a "change of control" under the indentures governing Holding's Discount Notes due 2014 and AMC Entertainment's Notes due 2016 and Fixed Notes due 2012, and Holdings and AMC Entertainment will be required to make change of control offers to purchase these notes after completion of the offering at a price of 101% of the aggregate principal amount thereof plus, without duplication, accrued and unpaid interest to the date of repurchase.

(2)

The aggregate revolving loan commitment under our senior secured credit facility is $200.0 million. As of June 28, 2007, this availability was reduced by approximately $22.4 million of standby letters of credit that were outstanding on June 28, 2007. Covenants under our existing senior indebtedness would further limit our ability to borrow on the commitments under our $200.0 million revolving loan facility.

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the public offering price per share of our common stock and the pro forma net tangible book deficit per share of our common stock after this offering. The net tangible book deficit (total stockholders' equity less goodwill and intangible assets) of our common stock on June 28, 2007 was ($1,762.8) million, or approximately ($12.05) per share. Net tangible book deficit per share of common stock represents the amount of our total tangible assets, less our liabilities, divided by the number of shares of our common stock outstanding. Dilution in net tangible book deficit per share to our new investors represents the difference between the amount per share paid by purchasers of shares of our common stock in this offering and the net tangible book value per share immediately afterwards. Without taking into account any other changes in net tangible book deficit after June 28, 2007, other than to give effect to the sale of million shares of common stock offered by us at an assumed public offering price of $ per share (the midpoint of the range set forth on the cover of this prospectus) and after deducting the underwriting discount and estimated offering expenses of $ million payable by us, the loss on repayment of indebtedness of $14.5 million and the loss on payment of the lump sum management fee of $38.7 million, our net tangible book deficit would have been ($) million, or approximately $( ) per share of common stock. This represents an immediate decrease in net tangible book deficit of $ per share to existing shareholders and an immediate dilution in net tangible book value of $ per share to new investors.

Assumed public offering price per share		$
Net tangible book deficit per share as of June 28, 2007	(12.05)	
Increase in net tangible book value		
Less:		
Net tangible book deficit per share as of June 28, 2007 after giving effect to the offering		
Dilution in net tangible book value per share to new investors		$

The preceding dilution information does not include the following:

shares of common stock issuable upon exercise of outstanding stock options with a weighted average exercise price of approximately $ per share on June 28, 2007; and

shares of common stock issuable in this offering to the underwriters pursuant to an over-allotment option.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

We derived the following unaudited pro forma condensed consolidated financial information by applying pro forma adjustments attributable to the Loews Dispositions, the NCM Transactions, the Parent Transactions and the Offering Transactions to Parent's and Holdings' historical consolidated financial statements included in this prospectus. The unaudited pro forma balance sheet gives pro forma effect to the Offering Transactions as if they had occurred on June 28, 2007. The unaudited pro forma condensed consolidated statement of operations data for the 13 weeks ended June 28, 2007, the 52 weeks ended March 29, 2007 and the 52 weeks ended June 28, 2007 give effect to the Loews Dispositions, the NCM Transactions, the Parent Transactions and the Offering Transactions as if they had each occurred on March 31, 2006. We have included pro forma financial information for 52 weeks ended June 28, 2007 because we believe that this information provides meaningful financial data about our current performance as our senior secured credit facility requires us to measure compliance with certain quarterly financial covenants on a trailing twelve month basis. See " Covenant Compliance." We describe the assumptions underlying the pro forma adjustments in the accompanying notes, which should be read in conjunction with the unaudited pro forma condensed consolidated financial information.

The Loews Dispositions: In connection with the merger of Loews with and into AMC Entertainment in January 2006, we entered into a final judgment with the Antitrust Division of the United States Department of Justice and judgments and consent decrees with various States. These judgments and decrees required us to hold separate and divest ourselves of certain theatres. We sold six of these theatres during fiscal 2007 for an aggregate sales price of $64.3 million, exchanged two of these theatres with another theatrical exhibitor for two theatres from that exhibitor in different markets, retained one of the theatres pursuant to an agreement reached with the California Attorney General and closed one remaining theatre during fiscal 2007. We refer to these actions collectively as the "Loews Dispositions."

The NCM Transactions: On February 13, 2007, NCM, Inc., consummated its initial public offering. We received net proceeds from the IPO, through the sale of common units in connection with the underwriters' option to purchase additional shares and the redemption of our preferred units. We used the net proceeds from these transactions of $517.1 million, together with cash on hand, to redeem the Notes due 2011, the Floating Notes due 2010 and the Notes due 2012. In connection with the completion of NCM, Inc.'s IPO, we amended and restated our services agreement with NCM whereby in exchange for our pro rata share of the proceeds from NCM, Inc.'s IPO and redemption of our preferred units, we agreed to a modification of NCM's payment obligation under the prior services agreement. In connection with the NCM, Inc. IPO, we entered into the Loews Screen Integration Agreement with NCM pursuant to which we will pay NCM an amount that approximates the EBITDA that NCM would generate if it were able to sell advertising in the Loews theatre chain on an exclusive basis commencing upon the completion of the NCM, Inc. IPO, and NCM issued to us common membership units in NCM, increasing our ownership interest in NCM immediately prior to the NCM, Inc. IPO to approximately 33.7%. We currently hold an 18.6% interest in NCM.

The Parent Transactions: On June 11, 2007, Merger Sub, a wholly-owned subsidiary of Parent, merged with and into Holdings, with Holdings continuing as the surviving corporation. As a result, Holdings became a wholly owned subsidiary of Parent, a newly formed entity controlled by the Sponsors. The Sponsors created Parent to facilitate the borrowing of $400 million in term loans pursuant to the Parent Term Loan Facility and the use of the net proceeds of such borrowing to pay a dividend to Parent's stockholders.

The Offering Transactions: Prior to consummating this offering, Parent intends to reclassify each share of its existing Class A common stock, Class N common stock and Class L common stock. Pursuant to the reclassification, each holder of shares of Class A common stock, Class N common stock

and Class L common stock will receive shares of common stock for one share of Class A common stock, Class L common stock or Class N common stock. Upon completion of this offering, Holdings will be merged with and into Parent, with Parent continuing as the surviving entity.

We estimate the net proceeds from this offering to be $469.1 million after deducting the underwriting discount and estimated expenses payable by us. We intend to apply a portion of the net proceeds from this offering to repay all amounts outstanding under the Parent Term Loan Facility. In addition, pursuant to the Fee Agreement as described under the heading "Certain Relationships and Related Party Transactions Fee Agreement," upon consummation of this offering, the Sponsors will receive an automatic fee equal to the net present value of the aggregate annual management fee that would have been payable to the Sponsors during the remainder of the term of the fee agreement. We estimate that our aggregate payment to the Sponsors would have been $38.7 million had the offering occurred on June 28, 2007. The pro forma adjustments do not give effect to any payments pursuant to the change of control offers that we may be required to make because we are unable to predict whether and to what extent noteholders to whom such offers are made will choose to accept them.

We refer to the Reclassification, this offering, our use of proceeds from this offering described above and the merger of Holdings with and into Parent, collectively, as the "Offering Transactions."

The unaudited pro forma condensed consolidated financial information is for illustrative and informational purposes only and should not be considered indicative of the results that would have been achieved had the transactions been consummated on the dates or for the periods indicated and do not purport to represent consolidated balance sheet data or statement of operations data or other financial data as of any future date or any future period.

The unaudited pro forma condensed consolidated financial information should be read in conjunction with the information contained in "Selected Historical Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations of AMC Entertainment Holdings Inc.," and the consolidated financial statements and accompanying notes for Parent appearing elsewhere in this prospectus.

AMC ENTERTAINMENT HOLDINGS, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

AS OF JUNE 28, 2007

(dollars in thousands)

	As of June 28, 2007		
	Parent Historical	Offering Transactions Pro Forma Adjustments	Parent Pro Forma Offering Transactions
Assets			
Cash and equivalents	$ 94,068	469,089 (1) $ (440,556)(1)	$ 122,601
Current assets	123,293		123,293
Property, net	1,299,293		1,299,293
Intangible assets, net	226,477		226,477
Goodwill	2,061,553		2,061,553
Other long-term assets	118,506	(10,541)(1a)	107,965
Total assets	$ 3,923,190	$ 17,992	$ 3,941,182
Liabilities and Stockholders' Equity			
Current liabilities	$ 454,924	$	$ 454,924
Current maturities	16,685		16,685
Corporate borrowings:			
Parent Term Loan Facility	397,876	(397,876)(1b)	
12% Senior Discount Notes due 2014	237,257		237,257
8% Senior Subordinated Notes due 2014	298,808		298,808
11% Senior Subordinated Notes due 2016	325,000		325,000
8 5/8% Senior Fixed Rate Notes due 2012	250,000		250,000
Senior Secured Term Loan Facility due 2012	635,375		635,375
Grupo Cinemex Term Loan	104,939		104,939
Capital and financing lease obligations	70,618		70,618
Other long-term liabilities	606,465		606,465
Total liabilities	3,397,947	(397,876)	3,000,071
Stockholders' Equity			
Common stock	14		14
Additional paid-in capital	663,569	469,089 (1c)	1,132,658
Accumulated other comprehensive loss	(3,858)		(3,858)
Accumulated deficit	(134,482)	(53,221)(1a)	(187,703)
Stockholders' equity	525,243	415,868	941,111
Total liabilities and Stockholders' Equity	$ 3,923,190	$ 17,992	$ 3,941,182

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Information

AMC ENTERTAINMENT HOLDINGS, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

THIRTEEN WEEKS ENDED JUNE 28, 2007

(dollars in thousands)

	Thirteen weeks ended June 28, 2007		
	Parent Thirteen Weeks Ended June 28, 2007 Historical	Offering Transactions & Parent Transactions Pro Forma Adjustments	Parent Pro Forma for Offering Transactions & Parent Transactions
Admissions	$ 416,874	$	$ 416,874
Concessions	184,227		184,227
Other	21,391		21,391
Total revenues	622,492		622,492
Cost of operations	400,559		400,559
Rent	112,708		112,708
General and administrative:			
Merger, acquisition and transaction costs	4,550		4,550
Management fee	1,250	(1,250)(2)	
Other	13,088	214 (3)	13,302
Preopening expense	2,085		2,085
Theatre and other closure expense	(14,828)		(14,828)
Depreciation and amortization	63,689		63,689
Total costs and expenses	583,101	(1,036)	582,065
Other income	(3,397)		(3,397)
Interest expense	46,730	110 (4)	44,873
		(1,967)(5)	
Equity in earnings of non-consolidated entities	(2,253)		(2,253)
Investment income	(19,286)	2,864 (6)	(16,422)
Total other expense	21,794	1,007	22,801
Earnings from continuing operations before income taxes	17,597	29	17,626
Income tax provision	3,000	(12)	3,000
Earnings from continuing operations	$ 14,597	$ 29	$ 14,626
Basic earnings per share from continuing operations	$ 11.38		$
Diluted earnings per share from continuing operations	$ 11.23		$
Weighted average shares outstanding Basic	1,282.34		
Weighted average shares outstanding Diluted	1,299.55		

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Information

AMC ENTERTAINMENT HOLDINGS, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FIFTY-TWO WEEKS ENDED MARCH 29, 2007

(dollars in thousands)

	Fifty-two weeks ended March 29, 2007					
	Holdings Fifty-Two Weeks Ended March 29, 2007 Historical	Loews Dispositions Pro Forma Adjustments	NCM Transactions Pro Forma Adjustments	Holdings Pro Forma for Loews Dispositions & NCM Transactions	Offering Transactions & Parent Transactions Pro Forma Adjustments	Parent Pro Forma for Offering Transactions & Parent Transactions
Admissions	$ 1,659,939	$ (10,792)(7)	$	$ 1,649,147	$	$ 1,649,147
Concessions	686,318	(3,509)(7)		682,809		682,809
Other	115,314	(767)(7)	(23,029)(8)	91,518		91,518
Total revenues	2,461,571	(15,068)(7)	(23,029)	2,423,474		2,423,474
Cost of operations	1,554,591	(9,929)(7)	13,520 (9)	1,558,182		1,558,182
Rent	445,924	(3,499)(7)		442,425		442,425
General and administrative:						
M&A Costs	12,447			12,447		12,447
Management fee	5,000			5,000	(5,000)(2)	
Other	55,875			55,875	856 (3)	56,731
Pre-opening expense				6,569		6,569
Theatre and other closure expense	9,011			9,011		9,011
Depreciation and amortization	256,472			256,472		256,472
Impairment of long-lived assets	10,686			10,686		10,686
Disposition of assets and other (gains)/losses	(11,183)			(11,183)		(11,183)
Total costs and expenses	2,345,392	(13,428)	13,520	2,345,484	(4,144)	2,341,340
Other income	(10,267)			(10,267)		(10,267)
Interest expense	232,382		(19,674)(10) 884 (10) (19,311)(10) (1,331)(10) (17,009)(10) 1,745 (10)	177,686	520 (4)	178,206
Equity in earnings from non-consolidated entities	(233,704)		238,810 (11)	5,106		5,106
Investment expense (income)	(18,191)			(18,191)	14,035 (6)	(4,156)
Total other expense	(29,780)		184,114	154,334	14,555	168,889
Earnings (loss) from continuing operations before income taxes	145,959	(1,640)	(220,663)	(76,344)	(10,411)	(86,755)
Income tax provision (benefit)	31,500	(12)	(24,800)(12)	6,700	(200)(12)	6,500
Earnings (loss) from continuing operations	$ 114,459	$ (1,640)	$ (195,863)	$ (83,044)	$ (10,211)	$ (93,255)
Basic earnings (loss) per share from continuing operations	$ 89.26					$

	Fifty-two weeks ended March 29, 2007	
Diluted earnings (loss) per share from continuing operations	$ 89.20	$
Weighted average shares outstanding Basic	1,282.25	
Weighted average shares outstanding Diluted	1,283.20	

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Information

AMC ENTERTAINMENT HOLDINGS, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FIFTY-TWO WEEKS ENDED JUNE 28, 2007

(dollars in thousands)

	Fifty-two weeks ended June 28, 2007					
	Parent Fifty-Two Weeks Ended June 28, 2007 Historical	**Loews Dispositions Pro Forma Adjustments**	**NCM Transactions Pro Forma Adjustments**	**Holdings Pro Forma for Loews Dispositions & NCM Transactions**	**Offering Transactions & Parent Transactions Pro Forma Adjustments**	**Parent Pro Forma for Offering Transactions & Parent Transactions**
Admissions	$ 1,641,173	$ (3,567)(7)	$	$ 1,637,606	$	$ 1,637,606
Concessions	689,501	(1,044)(7)		688,457		688,457
Other	107,555	(208)(7)	(15,901)(8)	91,446		91,446
Total revenues	2,438,229	(4,819)(7)	(15,901)(8)	2,417,509		2,417,509
Cost of operations	1,550,003	(3,318)(7)	9,472 (9)	1,556,157		1,556,157
Rent	446,313	(1,474)(7)		444,839		444,839
General and administrative:						
M&A costs	13,245			13,245		13,245
Management fee	5,000			5,000	(5,000)(2)	
Other	53,190			53,190	856 (3)	54,046
Pre-opening expense	7,612			7,612		7,612
Theatre and other closure expense	(7,860)			(7,860)		(7,860)
Depreciation and amortization	256,265			256,265		256,265
Impairment of long-lived assets	10,686			10,686		10,686
Disposition of assets and other (gains)/losses	(12,619)			(12,619)		(12,619)
Total costs and expenses	2,321,835	(4,792)	9,472	2,326,515	(4,144)	2,322,371
Other income	(12,204)			(12,204)		(12,204)
Interest expense	221,584		(14,592)(10) 660 (10) (14,538)(10) (1,039)(10) (12,665)(10) 1,311 (10)	180,721	500 (4) (1,967)(5)	179,254
Equity in earnings of non-consolidated entities	(238,114)		238,810 (11)	696		696
Investment income	(34,949)			(34,949)	13,461 (6)	(21,488)
Total other expense	(63,683)		197,947	134,264	11,994	146,258
Earnings (loss) from continuing operations before income taxes	180,077	(27)	(223,320)	(43,270)	(7,850)	(51,120)
Income tax provision (benefit)	34,200	(12)	(24,800)(12)	9,400	(200)(12)	9,200

	Fifty-two weeks ended June 28, 2007					
Earnings (loss) from continuing operations	$ 145,877	$ (27)	$ (198,520)	$ (52,670)	$ (7,650)	$ (60,320)
Basic earnings (loss) per share from continuing operations	$ 113.76					$
Diluted earnings (loss) per share from continuing operations	$ 113.11					$
Weighted average shares outstanding Basic	1,282.27					
Weighted average shares outstanding Diluted	1,289.65					

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Information

AMC ENTERTAINMENT HOLDINGS, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED

FINANCIAL INFORMATION

(dollars in thousands, unless indicated otherwise)

(1)

Reflects the following cash sources and uses related to the Offering Transactions:

	Sources	Uses
Net proceeds from the sale of common stock	$ 469,089	$
Repayment of principal amount of Parent Term Loan Facility		400,000
Repayment of PIK interest on Parent Term Loan Facility.		1,842
Lump sum payment under Amended and Restated Management Fee Agreement		38,714
Cash for general corporate purposes		28,533
	$ 469,089	$ 469,089

(1a)

Pro forma adjustments have been made to stockholders' equity for those income statement items that are not expected to have continuing impact in connection with the Offering Transactions, as follows:

Write off of discount on Parent Term Loan Facility	$ (3,966)
Write off of deferred charges on Parent Term Loan Facility	(10,541)
Lump sum payment under Amended and Restated Management Fee Agreement	(38,714)
	$ (53,221)

(1b)

Represents the repayment of principal and interest in (1) above and the write off of discount in (1a) above.

(1c)

Represents the increase to stockholders' equity from the net proceeds from sale of common stock in (1) above.

(2)

Reflects the termination of the Fee Agreement. The management fee will be terminated in connection with the Offering Transactions as discussed elsewhere in this prospectus.

(3)

Reflects restricted shares granted to Mr. Peter C. Brown as provided for in his employment agreement in the event of an initial public offering on or before December 31, 2007. The shares to be granted in the event of an initial public offering will have a value of $2,567,000 on the date of grant based on the proposed initial public offering price and will vest in three equal installments on the first three anniversaries of the date of grant. The following table illustrates how the amount of stock compensation expense was computed and determined (thousands of dollars):

Value of restricted stock grant	$	2,567
Ratio (Annual vesting of grant over 3 years)		33%
52 weeks of annual stock compensation expense	$	856
Ratio		25%
13 weeks of stock compensation expense	$	214

(4) Represents the amortization of the $4.3 million consent payment using the effective interest method over 8.4 years for Holdings' Discount Notes due 2014.

(5) Represents the elimination of interest expense recorded on the Parent Term Loan Facility as the proceeds of this offering will be used to repay this debt.

(6)

Represents the elimination of interest income earned and recorded on $275.0 million of cash used related to the dividend paid as described in the Parent Transactions.

(7)

Exclusion of revenues and expenses for theatres in connection with the Loews Dispositions:

	Holdings		
	13 Weeks Ended June 28, 2007	52 Weeks Ended March 29, 2007	52 Weeks Ended June 28, 2007
Revenues	$	$ (15,068)	$ (4,819)
Cost of operations		(9,929)	(3,318)
Rent		(3,499)	(1,474)

(8)

Represents the change in circuit share payments from NCM pursuant to the amended and restated services agreement ("ESA") entered into in connection with the completion of the NCM, Inc. IPO. Under the terms of the prior contracts between NCM and its founding members, the circuit share payments were based on varying percentages of advertising revenue (65% to 68%). Under the modified ESAs, the theatre access fee payments will initially be based on $0.07 per attendee and $800 per year per digital screen. The pro forma adjustment was computed on the basis of the pro forma levels of our attendance prior to entering into the new exhibitor services agreement (126.0 million for the 52 weeks ended March 29, 2007 and 87.6 million for the 52 weeks ended June 28, 2007) and average numbers of our digital screens (2,663 for the 52 weeks ended March 29, 2007 and June 28, 2007).

The following table identifies the components of the adjustments to revenues:

	Holdings		
	13 Weeks Ended June 28, 2007	52 Weeks Ended March 29, 2007	52 Weeks Ended June 28, 2007
Revenues under old ESA	$	$ (35,384)	$ (24,529)
Revenues under new ESA		10,636	7,404
Deferred revenue amortization*		1,719	1,224
Total	$	$ (23,029)	$ (15,901)

*

Deferred revenue is amortized under the units of revenue method. Under the units of revenue method, amortization for a period is calculated by computing a ratio of the proceeds received from the ESA modification payment to the total expected decrease in revenues due to entry into the new ESA over the 30 year term of the agreement and then applying that ratio to the current period's expected decrease in revenues due to entry into the new ESA. The following table illustrates how the amount of deferred revenue amortization was computed and determined (thousands of dollars):

	All Members	Holdings %	52 Weeks Ended March 29, 2007	52 Weeks Ended June 28, 2007
Proceeds from ESA payment	$ 686,330	33.7%	$ 231,308	
Total expected decrease in revenues 30 years	4,537,330			
Ratio	15%			

	All Members	Holdings %	52 Weeks Ended March 29, 2007	52 Weeks Ended June 28, 2007
Expected decrease in revenues 1st year	$ 38,889			
Deferred revenue amortization	$ 5,882	33.7%	$ 1,983	$ 1,983
Less				
Amounts recorded in historical periods			(264)	(759)
			$ 1,719	$ 1,224

	Projected Amounts 30 years	Calendar 2007
New ESA Network Rental Fees		
NCM Projected Attendance		574,100
Rate per attendee		$ 0.07
Attendance based revenue		$ 40,187
Number of digital screens		12,380
Rate per digital screen		$ 800
Screen based revenue		$ 9,904
Total revenue New ESA	$ 3,186,320	$ 50,091
Old ESA Network Rental Fees		
NCM Projected Advertising Revenue		$ 296,600
Revenue share %		30%
Total revenue Old ESA	$ 7,723,650	$ 88,980
Total decrease in revenue (New minus Old)	$ (4,537,330)	$ (38,889)

(9)

Represents the pro forma effect of the incremental cost to us from the purchase of additional theatre advertising inventory, in accordance with the ESAs entered into in connection with the completion of the NCM, Inc. IPO in order for us to fulfill our beverage concessionaire agreement on-screen advertising commitments. Inventory used to fulfill advertising commitments under our beverage concessionaire agreements had been retained by us under our prior contractual agreements with NCM, and will be made available to NCM under the exhibitor ESA. This inventory will be sold to us at a 30 second CPM equivalent, as set forth in the ESA, for the 90 seconds used, and the pro forma adjustment is computed by multiplying our historical attendance by such CPM equivalent. The following table discloses the significant assumptions used to calculate and determine the amount of this pro forma adjustment (thousands of dollars):

	Holdings		
	13 Weeks Ended June 28, 2007	52 Weeks Ended March 29, 2007	52 Weeks Ended June 28, 2007
Cost per thousand attendees for a 30 second interval	$	$ 26	$ 26
Number of 30 second intervals (90 seconds)		3	3
Historical attendance prior to amended and restated ESAs		173,333	121,435
	$	$ 13,520	$ 9,472

(10)

We used the proceeds from the NCM Transactions, together with cash on hand, to redeem the Notes due 2011, the Floating Notes due 2010 and the Notes due 2012 during March 2007.

Reflects change in interest expense for such redemptions:

	Holdings		
	13 Weeks Ended June 28, 2007	52 Weeks Ended March 29, 2007	52 Weeks Ended June 28, 2007
		(thousands of dollars)	
Cash interest expense on $212.8 million aggregate principal amount of 9 1/2% senior subordinated notes due 2011	$	$ (19,674)	$ (14,592)
Amortization of premium on 9 1/2% senior subordinated notes due 2011 (level yield to maturity from December 23, 2004, 8.9%)		884	660
Cash interest expense on $205.0 million aggregate principal amount of floating rate notes due 2010 (Rates ranging from 7.0% to 9.5%)		(19,311)	(14,538)
Deferred charge amortization on floating rate notes due 2010 ($7.4 million straight-line over 6 years)		(1,331)	(1,039)
Cash interest expense on $175.0 million aggregate principal amount of 9 7/8% senior subordinated notes due 2012		(17,009)	(12,665)
Amortization of premium on 9 7/8% senior subordinated notes due 2012 (level yield to maturity from December 23, 2004, 8.3%)		1,745	1,311

There were no deferred charges written off in connection with such redemptions as the amounts were recorded at fair value on December 23, 2004 in connection with the merger of AMC Entertainment Inc. and Marquee Inc. The pro forma adjustments reflect the historical amounts recorded by us for each period.

(11) Represents elimination of one-time non-recurring equity in earnings related to the NCM Transactions.

(12) Represents the income tax effect related to the pro forma adjustments:

	Holdings		
	13 Weeks Ended June 28, 2007	52 Weeks Ended March 29, 2007	52 Weeks Ended June 28, 2007
		(thousands of dollars)	
Historical Income Tax Provision		$ 31,500	$ 34,200
Decrease in Deferred Income Taxes(a)		(19,200)	(19,200)
Decrease in Current Federal and State Taxes(b)		(5,800)	(5,800)
Pro Forma Income Tax Provision(c)	$	$ 6,500	$ 9,200

(a) The decrease in deferred taxes is primarily due to the removal of taxes related to the gain on the NCM Transactions. The NCM gain allowed us to utilize previously unrecognized deferred tax assets, which had the effect of lowering the effective tax rate applicable to the gain.

(b)
The decrease in current federal and state taxes is due to a reduction in federal alternative minimum tax and state income taxes as a result of the removal of the gain on the NCM Transactions.

(c)
The remaining provision relates to state and foreign income taxes.

SELECTED HISTORICAL FINANCIAL AND OPERATING DATA

AMC Entertainment Holdings, Inc.

The following table sets forth certain of Parent's selected historical financial and operating data. Parent's selected financial data for the fiscal years ended March 29, 2007 and March 30, 2006, the period from July 16, 2004 through March 31, 2005, the period from April 2, 2004 through December 23, 2004, for the fiscal years ended April 1, 2004 and April 3, 2003, and for the unaudited thirteen week periods ended June 28, 2007 and June 29, 2006 have been derived from the consolidated financial statements for such periods either included elsewhere in this prospectus or not included herein.

Parent, an entity created on June 6, 2007, is the sole stockholder of Holdings. Holdings is a holding company with no operations of its own and has one direct subsidiary, AMC Entertainment. On June 11, 2007, Merger Sub, a wholly-owned subsidiary of Parent, merged with and into Holdings, with Holdings continuing as the surviving corporation. As a result, Holdings became a wholly owned subsidiary of Parent, a newly formed entity controlled by the Sponsors. The Sponsors created Parent to facilitate a debt financing by Parent and a related dividend by Parent to its stockholders. There was no change in the components of stockholders' equity as a result of the Parent Transactions, with the exception of the effect of the dividend paid to Parent's stockholders subsequent to the formation of Parent.

The Parent Transactions constituted a change in reporting entity under SFAS No. 154 *Accounting Changes and Error Corrections: a replacement of APB Opinion No. 20 and FASB Statement No. 3*. In accordance with the guidance in SFAS No. 154, the change in accounting entity has been retrospectively applied to the financial statements of all prior periods presented to reflect the new reporting entity for those periods. The consolidated financial statements of Parent include the accounts of Holdings and AMC Entertainment, for the period from July 16, 2004 (date of inception) through June 28, 2007, as Parent, Holdings and AMC Entertainment were entities under common control. The change in accounting entity had no impact on net earnings (loss), other comprehensive earnings (loss) or earnings (loss) per share for the periods presented.

Marquee was formed on July 16, 2004. On December 23, 2004, pursuant to a merger agreement, Marquee merged with and into AMC Entertainment (the "Predecessor") with AMC Entertainment as the surviving entity (the "Successor"). The merger was treated as a purchase with Marquee being the "accounting acquiror" in accordance with SFAS No. 141 *Business Combinations*. As a result, the Successor applied the purchase method of accounting to the separable assets, including goodwill, and liabilities of the accounting acquiree, AMC Entertainment, as of December 23, 2004, the closing date of the merger. The consolidated financial statements presented below are those of the accounting acquiror, now Parent, from its inception on July 16, 2004 through June 28, 2007, and those of its Predecessor, AMC Entertainment, for all prior periods through the closing date of the merger.

The selected financial data presented herein should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of AMC Entertainment Holdings, Inc.," consolidated financial statements, including the notes thereto, and other historical financial information of Parent, including the notes thereto, included elsewhere in this prospectus.

	Thirteen Week Periods		Years Ended(1)(3)(6)					
	13 Weeks Ended June 28, 2007	13 Weeks Ended June 29, 2006	52 Weeks Ended March 29, 2007(4)	52 Weeks Ended March 30, 2006(4)	From Inception July 16, 2004 through March 31, 2005(4)(7)	April 2, 2004 through December 23, 2004(4)(7)	52 Weeks Ended April 1, 2004(4)	53 Weeks Ended April 3, 2003(4)
	(Successor)	(Successor)	(Successor)	(Successor)	(Successor)	(Predecessor)	(Predecessor)	(Predecessor)
	(in thousands, except per share and operating data)							
Statement of Operations Data:								
Revenues:								
Admissions	$ 416,874	$ 435,640	$ 1,659,939	$ 1,138,034	$ 297,310	$ 847,476	$ 1,139,108	$ 1,145,523
Concessions	184,227	181,044	686,318	456,028	117,266	328,970	436,737	450,977
Other revenue	21,391	29,150	115,314	92,816	24,884	82,826	102,387	102,292
Total revenues	622,492	645,834	2,461,571	1,686,878	439,460	1,259,272	1,678,232	1,698,792
Costs and Expenses:								
Film exhibition costs	221,847	227,951	855,804	595,353	152,747	452,727	605,898	625,772
Concession costs	22,187	22,015	79,711	50,581	12,801	37,880	46,868	50,065
Operating expense	156,525	155,181	619,076	451,522	115,590	324,427	442,974	471,028
Rent	112,708	112,319	445,924	329,878	80,776	223,734	288,321	277,945
General and administrative:								
Merger and acquisition costs	4,550	3,752	12,447	12,523	22,286	42,732	5,508	1,128
Management fee	1,250	1,250	5,000	2,000	500			
Other(8)	13,088	15,773	55,875	40,251	14,615	33,727	56,798	65,728
Pre-opening expense	2,085	1,042	6,569	6,607	39	1,292	3,865	2,934
Theatre and other closure (income) expense	(14,828)	2,043	9,011	601	1,267	10,758	4,068	5,416
Restructuring charge(9)				3,980	4,926			
Depreciation and amortization	63,689	63,896	256,472	164,047	43,931	86,052	115,296	119,835
Impairment of long-lived assets			10,686	11,974			16,272	14,564
Disposition of assets and other gains		1,436	(11,183)	(997)	(302)	(2,715)	(2,590)	(1,385)
Total costs and expenses	583,101	606,658	2,345,392	1,668,320	449,176	1,210,614	1,583,278	1,633,030

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	Thirteen Week Periods		Years Ended(1)(3)(6)					
	13 Weeks Ended June 28, 2007	13 Weeks Ended June 29, 2006	52 Weeks Ended March 29, 2007(4)	52 Weeks Ended March 30, 2006(4)	From Inception July 16, 2004 through March 31, 2005(4)(7)	April 2, 2004 through December 23, 2004(4)(7)	52 Weeks Ended April 1, 2004(4)	53 Weeks Ended April 3, 2003(4)
	(Successor)	(Successor)	(Successor)	(Successor)	(Successor)	(Predecessor)	(Predecessor)	(Predecessor)
	(in thousands, except per share and operating data)							
Other expense (income)(5)	(3,397)	(1,460)	(10,267)	(9,818)	(6,778)		13,947	
Interest expense:								
Corporate borrowings	45,065	56,200	226,583	139,042	52,502	66,851	66,963	65,585
Capital and financing lease obligations	1,665	1,328	5,799	4,068	1,449	5,848	8,698	11,295
Equity in (earnings) losses of non-consolidated entities(12)	(2,253)	2,157	(233,704)	7,807	(161)	(129)	(25)	(219)
Investment (income)	(19,286)	(2,528)	(18,191)	(3,409)	(3,191)	(6,344)	(2,812)	(3,272)
Earnings (loss) from continuing operations before income taxes	17,597	(16,521)	145,959	(119,132)	(53,537)	(17,568)	8,183	(7,627)
Income tax provision (benefit)	3,000	300	31,500	71,800	(9,280)	14,760	10,400	9,400
Earnings (loss) from continuing operations	14,597	(16,821)	114,459	(190,932)	(44,257)	(32,328)	(2,217)	(17,027)
Earnings (loss) from discontinued operations, net of income tax benefit(2)		2,679	2,448	(25,291)	(133)	(3,550)	(8,497)	(12,519)
Net earnings (loss)	$ 14,597	$ (14,142)	$ 116,907	$ (216,223)	$ (44,390)	$ (35,878)	$ (10,714)	$ (29,546)
Preferred dividends						104,300	40,277	27,165
Net earnings (loss) for shares of common stock	$ 14,597	$ (14,142)	$ 116,907	$ (216,223)	$ (44,390)	$ (140,178)	$ (50,991)	$ (56,711)
Basic earnings (loss) per share of common stock(13):								
Earnings (loss) from continuing operations	$ 11.38	$ (13.12)	$ 89.26	$ (222.50)	$ (147.32)	$ (3.69)	$ (1.16)	$ (1.12)
Earnings (loss) from discontinued operations		2.09	1.91	(29.47)	(0.44)	(0.10)	(0.23)	(0.32)
Net earnings (loss) per share	$ 11.38	$ (11.03)	$ 91.17	$ (251.97)	$ (147.76)	$ (3.79)	$ (1.39)	$ (1.44)
Average shares outstanding:								
Basic	1,282.34	1,282.25	1,282.25	858.12	300.41	37,023	36,715	39,297

	Thirteen Week Periods		Years Ended(1)(3)(6)					
Diluted loss per share of common stock(13):								
Earnings (loss) from continuing operations	$ 11.23	$ (13.12)	$ 89.20	$ (222.50)	$ (147.32)	$ (3.69)	$ (1.16)	$ (1.12)
Earnings (loss) from discontinued operations		2.09	1.91	(29.47)	(0.44)	(0.10)	(0.23)	(0.32)
Net earnings (loss) per share	$ 11.23	$ (11.03)	$ 91.11	$ (251.97)	$ (147.76)	$ (3.79)	$ (1.39)	$ (1.44)
Average shares outstanding:								
Diluted	1,299.55	1,282.25	1,283.20	858.12	300.41	37,023	36,715	39,297
Balance Sheet Data (at period end):								
Cash and equivalents	$ 94,068	$	$ 319,533	$ 232,366	$ 72,945		$ 333,248	$ 244,412
Corporate borrowings	2,262,462		1,864,670	2,455,686	1,344,531		686,431	668,661
Other long-term liabilities and deferred revenues	606,465		604,988	395,458	354,240		182,467	177,555
Capital and financing lease obligations	74,096		53,125	68,130	65,470		61,281	59,101
Stockholders' equity (deficit)	525,243		1,167,053	1,042,642	722,038		280,604	279,719
Total assets	3,923,190		4,118,149	4,407,351	2,797,511		1,506,534	1,480,698
Other Data:								
Net cash provided by (used in) operating activities(11)	$ 72,738	$ 95,938	$ 417,870	$ 25,694	$ (45,364)	$ 145,364	$ 155,227	$ 136,072
Capital expenditures	(33,894)	(32,843)	(138,739)	(117,688)	(18,622)	(66,155)	(95,011)	(100,932)
Proceeds from sale/leasebacks				35,010	50,910		63,911	43,665
Operating Data (at period end):								
Screen additions	46	30	128	137		44	114	95
Screen acquisitions			32	2,117	3,728		48	809
Screen dispositions	60	180	675	150	14	28	142	111
Average screens continuing operations(10)	5,075	5,139	5,105	3,661	3,355	3,350	3,309	3,324
Number of screens operated	5,300	5,679	5,314	5,829	3,714	3,728	3,712	3,692
Number of theatres operated	377	417	379	428	247	249	250	257
Screens per theatre	14.1	13.6	14.0	13.6	15.0	15.0	14.8	14.4
Attendance (in thousands) continuing operations(10)	59,970	64,969	241,437	165,831	44,278	126,450	176,162	187,030

(1) There were no cash dividends declared on common stock during the last five fiscal years ended March 29, 2007. A dividend of $652,800 was declared and paid during the 13 weeks ended June 28, 2007.

(2) Fiscal 2004 and 2003 include losses from discontinued operations related to a theatre in Sweden that was sold during fiscal 2004. Fiscal 2007, 2006, 2005, 2004 and 2003 include losses from discontinued operations related to five theatres in Japan that were sold during fiscal 2006 and five theatres in Iberia that were sold during fiscal 2007. During the 13 weeks ended June 29, 2006, the Successor included earnings from discontinued operations of $2,679 (net of income tax benefit of $0). During fiscal 2007, the Successor included earnings from discontinued operations of $2,448 (net of income tax benefit of $0). During fiscal 2006, the Successor included loss from discontinued operations of $25,291 (net of income tax provision of $20,400). During fiscal 2005, the Successor included a loss from discontinued operations of $133 (net of income tax provision of $80) and the Predecessor included loss from discontinued operations of $3,550 (net of income tax provision of $240). Fiscal 2004 included an $8,497 loss from discontinued operations (net of income tax benefit of $2,000) and fiscal 2003 included a $12,519 loss from discontinued operations including a charge for impairment of long-lived assets of $4,999 (net of income tax benefit of $100).

(3) Fiscal 2003 includes 53 weeks. All other years have 52 weeks.

(4) We acquired Loews Cineplex Entertainment Corporation on January 26, 2006, which significantly increased our size. In the Loews Acquisition we acquired 112 theatres with 1,308 screens throughout the United States that we consolidate and 40 theatres with 443 screens in Mexico that we consolidate. Accordingly, results of operations for the Successor periods ended March 29, 2007 and March 30, 2006 are not comparable to our results for the prior fiscal years.

(5) During the 13 weeks ended June 28, 2007, other (income) is composed of $1,754 of income related to the derecognition of stored value card liabilities where management believes future redemption to be remote, insurance recoveries of $1,246 for property losses related to Hurricane Katrina and $397 of business interruption insurance recoveries related to Hurricane Katrina. During the 13 weeks ended June 29, 2006, other (income) is composed of $1,460 of income related to the derecognition of stored value card liabilities where management believes future redemption to be remote. During fiscal 2007, other expense (income) is composed of $10,992 of income related to the derecognition of stored value card liabilities where management believes future redemption to be remote, insurance recoveries of $2,469 for property losses related to Hurricane Katrina, $294 of business interruption insurance recoveries related to Hurricane Katrina, call premiums, a write off of deferred financing costs and unamortized premiums related to the redemption of the Notes due 2011, the Floating Notes due 2010 and the Notes due 2012 of $3,488. During fiscal 2006, other expense (income) is composed of $8,699 of income related to the derecognition of stored value card liabilities where management believes future redemption to be remote, insurance recoveries of $3,032 for property losses related to Hurricane Katrina, net of disposition losses of $346, $1,968 of business interruption insurance recoveries related to Hurricane Katrina, the write-off of deferred financing cost of $1,097 related to our former senior secured credit facility in connection with our issuance of the senior secured credit facility and $2,438 of fees related to an unused bridge facility in connection with the Loews Acquisition. During fiscal 2005, other expense (income) is composed of $6,745 of income related to the derecognition of stored value card liabilities where management believes future redemption to be remote and $33 of gain recognized on the redemption of $1,663 of the Notes due 2011. During fiscal 2004, other expense (income) is composed of losses recognized on the redemption of $200,000 of our 9$^{1}/_{2}$% senior subordinated notes due 2009 and $83,400 of the Notes due 2011.

(6) As a result of the merger with Marquee, the Successor applied the purchase method of accounting to the separable assets, including goodwill, and liabilities of the accounting acquiree, AMC Entertainment, as of December 23, 2004. Because of the application of purchase accounting, Successor and Predecessor periods are not prepared on comparable bases of accounting.

(7) In connection with the merger with Marquee, Marquee was formed on July 16, 2004, and issued debt and held the related proceeds from issuance of debt in escrow until consummation of the merger. The Predecessor consolidated this merger entity in accordance with FIN 46(R). As a result, both the Predecessor and Successor have recorded interest expense of $12,811, interest income of $2,225 and income tax benefit of $4,500 related to Marquee.

(8) Includes stock-based compensation of $500 for the 13 weeks ended June 28, 2007 and $1,020 for the 13 weeks ended June 29, 2006. Includes stock based compensation of $10,568 for the 52 week period ended March 29, 2007. Includes stock-based compensation of $3,433 for the 52 week period ended March 30, 2006 (Successor), and includes stock based compensation of $1,201, $0, $8,727 and $2,011 during Fiscal 2005 (Successor), Fiscal 2005 (Predecessor), Fiscal 2004 and 2003, respectively.

(9) Restructuring charges related to one-time termination benefits and other cost related to the displacement of approximately 200 associates in connection with an organizational restructuring, which was completed to create a simplified organizational structure, and contribution of assets by NCN to NCM. This organizational restructuring was substantially completed as of March 30, 2006.

(10) Includes consolidated theatres only.

(11) Cash flows provided by operating activities for the 52 weeks ended March 29, 2007 include $231,308 related to the NCM Transactions. Cash flows provided by operating activities for the 52 weeks ended March 30, 2006 do not include $142,512 of cash acquired in the Loews Acquisition which is included in cash flows from investing activities.

(12) During fiscal 2007, equity in (earnings) losses of non-consolidated entities includes a gain of $238,810 related to the NCM Transactions.

(13) Historical loss per share data and average shares outstanding set forth above and in our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus does not give effect to the Reclassification. After giving pro forma effect to the Reclassification, the Successor would have had net earnings (loss) per share of $, $, $, $ ( ), $( ), $( ), $ ( ) and $( ) for the 13 weeks ended June 28, 2007, the 13 weeks ended June 29, 2006, and fiscal 2007 (Successor), Fiscal 2006 (Successor), Fiscal 2005 (Successor), Fiscal 2005 (Predecessor), Fiscal 2004 (Predecessor), and Fiscal 2003 (Predecessor), respectively.

LCE Holdings, Inc.

The following table sets forth LCE Holdings' selected historical and operating data. The selected financial data presented for the year ended December 31, 2003, the seven months ended July 31, 2004, the five months ended December 31, 2004 and the year ended December 31, 2005 are derived from LCE Holdings' audited combined consolidated financial statements included elsewhere in this prospectus. LCE Holdings' financial statements include the assets, liabilities and results of operations of Cinemex on a combined basis for the period June 19, 2002 (the date Cinemex became an entity under common control) through July 31, 2004 and on a fully consolidated basis beginning August 1, 2004. LCE Holdings has reflected the financial position and results of its former Canadian operations as discontinued operations for all periods from April 1, 2002 to July 31, 2004, as those operations were sold to affiliates of its former investors.

During the period from February 15, 2001 through March 21, 2002, LCE Holdings' operated under the protection of Chapter 11 of the U.S. Bankruptcy Code. For accounting purposes, it has accounted for the reorganization as of March 31, 2002. Accordingly, LCE Holdings' historical financial information for the period April 1, 2002 through July 31, 2004 reflects that of its Predecessor Company (post-reorganization, pre-Loews Transactions). LCE Holdings' results of operations during the reorganization period were significantly affected by its bankruptcy proceedings and are therefore not comparable in all respects with the results of other periods presented.

On July 30, 2004, LCE Holdings, a company formed by Bain Capital Partners LLC, The Carlyle Group and Spectrum Equity Investors, acquired 100% of the capital stock of Loews and, indirectly, Cinemex. For accounting purposes and consistent with its reporting periods, LCE Holdings has used July 31, 2004 as the effective date of those transactions. Based on this event, Loews has reported its operating results and financial position for all periods presented from April 1, 2002 through July 31, 2004 as those of the Predecessor Company and for all periods from and after August 1, 2004 as those of the Successor Company. The Predecessor Company periods and the Successor Company periods have different bases of accounting and are therefore not comparable.

The selected financial data presented herein should be read in conjunction with "LCE Holdings' Management's Discussion and Analysis of Financial Condition and Results of Operations," consolidated financial statements, including the notes thereto, and other historical financial information of Loews, including the notes thereto, included elsewhere in this prospectus.

	Successor		Predecessor	
	Year ended December 31, 2005	Period August 1, to December 31, 2004	Period January 1, to July 31, 2004	Year ended December 31, 2003
	(thousands of dollars, except operating data)			
Statement of Operations Data:				
Revenues				
Box office	$ 580,978	$ 237,545	$ 384,814	$ 628,643
Concessions	244,625	94,884	156,646	253,406
Other	49,113	23,609	25,820	46,189
Total operating revenues	874,716	356,038	567,280	928,238
Expenses				
Theatre operations and other expenses	649,290	264,608	404,674	681,493
Cost of concessions	36,648	13,948	23,365	35,460
General and administrative	53,771	20,934	43,334	60,099
Depreciation and amortization	114,063	45,771	49,623	80,940
(Gain)/Loss on sale/disposal of theatres	834	1,430	(3,734)	(4,508)
Total operating expense	854,606	346,691	517,262	853,484
Income/(loss) from operations	20,110	9,347	50,018	74,754
Interest expense, net	80,668	36,005	16,663	35,262
Loss on early extinguishment of debt		882	6,856	
Equity (income)/loss in long-term investments	(23,134)	(1,438)	(933)	1,485
Income/(loss) before income taxes, extraordinary gain, cumulative effect of change in accounting principle and discontinued operations	(37,424)	(26,102)	27,432	38,007
Income tax expense/(benefit)	7,548	(3,244)	12,886	15,339
Income/(loss) before extraordinary gain, cumulative effect of change in accounting principle and discontinued operations	(44,972)	(22,858)	14,546	22,668
Discontinued operations, net of tax(1)			7,417	56,183
Net income/(loss)	$ (44,972)	$ (22,858)	$ 21,963	$ 78,851
Balance Sheet Data (at period end):				
Cash and equivalents	$ 145,324	$ 71,015	$	$ 139,425
Corporate borrowings	1,044,264	1,037,907		429,865
Other long-term liabilities(3)	104,553	113,290		247,221
Capital and financing lease obligations	29,351	28,033		22,249
Stockholders' equity/(deficit)	364,839	405,390		683,384
Total assets	$ 1,713,140	1,751,958		1,597,319
Other Data:				
Net cash provided by (used in) operating activities(2)	67,441	38,097	75,226	88,959
Capital Expenditures	$ (67,326)	$ (17,205)	$ (36,638)	$ (40,895)
Proceeds from sale/leasebacks				
Operating Data (at period end):				
Screen additions	67	51	12	59
Screen acquisitions			12	
Screen dispositions	62	26	50	48
Average screens continuing operations(4)	1,806	1,798	1,806	1,834
Number of screens operated	2,169	2,218	2,193	2,219
Number of theatres operated	191	201	200	207
Screens per theatre	11.4	11.0	11.0	10.7
Attendance (in thousands) continuing operations(4)	94,953	39,850	65,967	106,797

(1) The balances reported for discontinued operations the year ended December 31, 2003 and the seven months ended July 31, 2004 represent the net operating results of Loews' Canadian operations, which management decided to sell during 2004 and was sold to its former investors as part of the Loews Transactions.

(2)

Cash provided by/(used in) operating activities includes the payment of restructuring charges, bankruptcy claims and reorganization costs, as follows (in thousands):

	Successor		Predecessor	
	Year ended December 31, 2005	Period August 1, to December 31, 2004	Period January 1, to July 31, 2004	Year ended December 31, 2003
Restructuring charges paid during the period)	$	$ 17	$ 13	$ 3,065
Reorganization claims paid during the period		352	522	3,210
Total	$	$ 369	$ 535	$ 6,275

(3)

Includes liabilities subject to compromise of $540,933 as of February 28, 2002.

(4)

Includes consolidated theatres only.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF AMC ENTERTAINMENT HOLDINGS, INC.

The following discussion and analysis concerns the historical financial condition and results of operations of Parent for the periods indicated. Holdings is a wholly owned subsidiary of Parent, whose only material asset is its equity interest in Holdings. Holdings itself is a holding company with no operations of its own and has one direct subsidiary, AMC Entertainment. Upon completion of this offering, Holdings will be merged with and into Parent, with Parent continuing as the surviving entity. This discussion contains forward-looking statements. Please see "Special Note Regarding Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions relating to these statements.

Holdings ("Successor") completed a merger on December 23, 2004 in which AMC Entertainment was acquired by Holdings. Marquee is a company formed on July 16, 2004 and was wholly owned by Holdings. On December 23, 2004, pursuant to a merger agreement, Marquee merged with AMC Entertainment (the "Predecessor"). Upon the consummation of the merger between Marquee and AMC Entertainment on December 23, 2004, Marquee was renamed as AMC Entertainment, which is the legal name of the surviving entity. The merger was treated as a purchase with Marquee being the "accounting acquiror" in accordance with Statement of Financial Accounting Standards No. 141, "Business Combinations." As a result, Marquee applied the purchase method of accounting to the separable assets, including goodwill, and liabilities of the accounting acquiree, AMC Entertainment, as of December 23, 2004, the merger date. The consolidated financial statements presented herein and discussed below are those of the accounting acquiror from its inception on July 16, 2004 through March 30, 2006, and those of its Predecessor, AMC Entertainment, for all prior periods through the merger date. This discussion contains forward-looking statements. Please see "Special Notes Regarding Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions relating to these statements

Overview

We are one of the world's leading theatrical exhibition companies. During the first quarter of fiscal 2008, we opened three new theatres with 46 screens in the United States and closed five theatres with 60 screens in the United States. As of June 28, 2007, we owned, operated or had interests in 377 theatres and 5,300 screens with 87%, or 4,597 of our screens in the United States and Canada, and 13%, or 703 of our screens in Mexico, Argentina, Brazil, Chile, Uruguay, China (Hong Kong), France and the United Kingdom.

Our principal directly owned subsidiaries are AMC Entertainment Inc., American Multi-Cinema, Inc. ("AMC"), Grupo Cinemex, S.A. de C.V. ("Cinemex") and AMC Entertainment International, Inc. ("AMCEI"). We conduct our U.S. and Canada theatrical exhibition business through AMC and its subsidiaries and AMCEI and its subsidiaries. We are operating theatres outside the United States primarily through Cinemex and AMCEI and its subsidiaries.

Recent History

On March 29, 2005, AMC Entertainment, along with Regal Entertainment Group ("Regal"), combined our respective cinema screen advertising businesses into a new joint venture company called National CineMedia, LLC ("NCM"). The new company engages in the marketing and sale of cinema advertising and promotions products; business communications and training services; and the distribution of digital alternative content. We record our share of on-screen advertising revenues generated by our advertising subsidiary, National Cinema Network, Inc. ("NCN") and NCM in other theatre revenues. We contributed fixed assets and exhibitor agreements of our cinema screen

advertising subsidiary NCN to NCM. We also included goodwill (recorded in connection with the merger with Marquee) in the cost assigned to our investment in NCM. Additionally, we paid termination benefits related to the displacement of certain NCN associates. In consideration of the NCN contributions described above NCM issued a 37% interest in its Class A units to NCN. Since that date, our interest in NCM has declined to 29% due to the entry of new investors. On February 13, 2007, NCM, Inc., a newly-formed entity that serves as the sole manager of NCM, announced the pricing of its initial public offering of 42,000,000 shares of common stock at a price of $21.00 per share. We currently hold a 18.6% interest in NCM.

On June 20, 2005, Holdings entered into a merger agreement with LCE Holdings, the parent of Loews, pursuant to which LCE Holdings merged with and into Holdings, with Holdings continuing as the holding company for the merged businesses, and Loews merged with and into AMC Entertainment, with AMC Entertainment continuing after the Loews Acquisition. The transactions closed on January 26, 2006. Upon completion of these transactions, JPMP, Apollo, JPMP's and Apollo's co-investors, Bain, Carlyle, Spectrum and management held 100% of Holdings' outstanding capital stock.

In conjunction with the mergers with LCE Holdings and Loews, we entered into a final judgment with the Antitrust Division of the United States Department of Justice and judgments and consent decrees with various States. These judgments and decrees require us to hold separate and divest ourselves of certain theatres. We sold six of these theatres during the 52 weeks ended March 29, 2007 for an aggregate sales price of $64.3 million, exchanged two of these theatres with another theatrical exhibitor for two theatres from that exhibitor in different markets, retained one of the theatres pursuant to an agreement reached with the California Attorney General and closed one remaining theatre during fiscal 2007.

In connection with the mergers with LCE Holdings and Loews, on January 26, 2006, we entered into the following financing transactions:

- the issuance of $325.0 million in aggregate principal amount of the Notes due 2016;
- a new senior secured credit facility with Citicorp North America, Inc., Banco Nacional De Mexico, S.A., Integrante del Grupo Financiero Banamex and the lenders named therein, consisting of a $650.0 million term loan facility and a $200.0 million revolving credit facility (our "senior secured credit facility");
- the termination of AMC Entertainment's March 25, 2004 senior secured credit facility, under which no amounts were outstanding;
- the repayment of all outstanding amounts under Loews' existing senior secured credit facility and the termination of all commitments thereunder (the "Loews Facility"); and
- the completion of a tender offer and consent solicitation for all $315.0 million aggregate principal amount of Loews' outstanding 9.0% senior subordinated notes due 2014.

The proceeds of the financing transactions were used to repay amounts outstanding under the Loews Facility, to fund the tender offer, to pay related fees and expenses, and to pay fees and expenses related to such mergers. We refer to the mergers described above, the Loews Dispositions and the financing transactions described above collectively as the "Loews Acquisition."

The Loews Acquisition significantly increased our size. In the Loews Acquisition, we acquired 112 theatres with 1,308 screens in the United States (included in our U.S. and Canada operating segment) and 40 theatres with 443 screens in Mexico (included in our International operating segment) that are included in our consolidated results of operations from January 26, 2006. Accordingly, results of operations for the fifty-two weeks ended March 29, 2007 which include fifty-two weeks of operations of the businesses we acquired, are not comparable to our results of operations for the fifty-two weeks

ended March 30, 2006 which include nine weeks of operations of the businesses we acquired or the results for the fifty-two weeks ended March 31, 2005 which do not include any results of operations of the businesses we acquired.

On June 30, 2005, we sold one of our wholly-owned subsidiaries Japan AMC Theatres Inc., including four of our five theatres in Japan. We sold our remaining Japan theatre on September 1, 2005. The operations and cash flows of the Japan theatres have been eliminated from our ongoing operations as a result of the disposal transactions. We do not have any significant continuing involvement in the operations of the Japan theatres. The results of operations of the Japan theatres have been classified as discontinued operations, and information presented for all periods reflects the new classification. The operations of the Japan theatres were previously reported in our International theatrical exhibition operating segment.

We disposed of our only theatre in Hong Kong on January 5, 2006 and entered into a license agreement with the purchaser for continued use of our trademark. These operations did not meet the criteria for reporting as discontinued operations.

In May 2006, AMCEI and its subsidiary AMC Entertainment International Limited sold its interests in AMC Entertainment España S.A., which owned and operated 4 theatres with 86 screens in Spain, and Actividades Multi-Cinemas E Espectáculos, LDA, which owned and operated 1 theatre with 20 screens in Portugal. These operations have been classified as discontinued operations as a result of our disposition of Yelmo Cineplex, S.L., or Yelmo, in December 2006 as we no longer have continuing involvement in the region.

In December 2006 we disposed of our equity method investment in Yelmo, which owned and operated 27 theaters with 310 screens in Spain on the date of sale.

On November 7, 2006, our Board of Directors approved an amendment to freeze our Defined Benefit Retirement Income Plan, Supplemental Executive Retirement Plan and Retirement Enhancement Plan (the "Plans") as of December 31, 2006. On December 20, 2006, we amended and restated the Plans to implement the freeze as of December 31, 2006. As a result of the freeze there will be no further benefits accrued after December 31, 2006, but continued vesting for associates with less than five years of vesting service. We will continue to fund existing benefit obligations and there will be no new participants in the future. As a result of amending and restating the Plans to implement the freeze, we recognized a curtailment gain of $11.0 million in our consolidated financial statements which reduced our pension expense for fiscal 2007.

In connection with the completion of NCM, Inc.'s IPO in February 2007, we also entered into an amended and restated ESA with NCM whereby in exchange for approximately $231.3 million, we agreed to modify NCM's payment obligations under the prior ESA. We have recorded the payment received for modification of the prior ESA as deferred revenues in our consolidated financial statements. The amended and restated ESA provides a term of 30 years for advertising and approximately five year terms (with automatic renewal provisions) for meeting event and digital programming services, and provides NCM with a five year right of first refusal for the services beginning one year prior to the end of the term. The amended and restated ESA also changed the basis upon which we are paid by NCM from a percentage of revenues associated with advertising contracts entered into by NCM to a monthly theatre access fee. The theatre access fee is now composed of a fixed payment per patron and a fixed payment per digital screen, which increases by 8% every five years starting at the end of fiscal 2011 for payments per patron and by 5% annually starting at the end of fiscal 2007 for payments per digital screen. The theatre access fee paid in the aggregate to us, Regal and Cinemark will not be less than 12% of NCM's aggregate advertising revenue, or it will be adjusted upward to meet this minimum payment.

In May 2007, we disposed of our investment in Fandango for total expected proceeds of approximately $20 million, of which $17.7 million was received in May 2007, and during the first quarter of fiscal 2008 have recorded a gain on the sale, included in investment income, of approximately $15.7 million.

To help finance a $652,800,000 million dividend paid to our stockholders, we entered into the $400,000,000 Parent Term Loan Facility for net proceeds of $396,000,000. The interest rate on borrowings under the Parent Term Loan Facility was 10.36% per annum as of June 28, 2007.

Operations

For financial reporting purposes we have three segments, (1) U.S. and Canada theatrical exhibition, (2) International theatrical exhibition and (3) Other, with the most significant activity in "Other" related to on-screen advertising.

Our U.S. and Canada and International theatrical exhibition revenues are generated primarily from box office admissions and theatre concession sales. The balance of our revenues are generated from ancillary sources, including on-screen advertising, rental of theatre auditoriums, fees and other revenues generated from the sale of gift certificates and theatre tickets and arcade games located in theatre lobbies.

Box office admissions are our largest source of revenue. We predominantly license "first-run" motion pictures from distributors owned by major film production companies and from independent distributors. We license films on a film-by-film and theatre-by-theatre basis. Film exhibition costs are accrued based on the applicable admissions revenues and estimates of the final settlement pursuant to our film licenses. Licenses that we enter into typically state that rental fees are based on either aggregate terms established prior to the opening of the picture or on a mutually agreed settlement upon the conclusion of the picture run. Under an aggregate terms formula, we pay the distributor a specified percentage of box office receipts. The settlement process allows for negotiation based upon how a film actually performs.

Concessions sales are our second largest source of revenue after box office admissions. Concessions items include popcorn, soft drinks, candy, hot dogs and other products. We negotiate prices for our concessions products and supplies directly with concessions vendors on a national or regional basis to obtain high volume discounts or bulk rates and marketing incentives.

Our revenues are dependent upon the timing and popularity of motion picture releases by distributors. The most marketable motion pictures are usually released during the summer and the year-end holiday seasons. Therefore, our business can be seasonal, with higher attendance and revenues generally occurring during the summer months and holiday seasons. Our results of operations may vary significantly from quarter to quarter.

During fiscal 2007, films licensed from our eleven largest distributors based on revenues accounted for approximately 95% of our U.S. and Canada admissions revenues. Our revenues attributable to individual distributors may vary significantly from year to year depending upon the commercial success of each distributor's motion pictures in any given year.

During the period from 1990 to 2006, the annual number of first-run motion pictures released by distributors in the United States ranged from a low of 370 in 1995 to a high of 599 in 2006, according to Motion Picture Association 2006 MPA Market Statistics.

We continually upgrade the quality of our theatre circuit by adding new screens through new builds (including expansions) and acquisitions and by disposing of older screens through closures and sales. We are an industry leader in the development and operation of megaplex theatres, typically defined as a theatre having 14 or more screens and offering amenities to enhance the movie-going

experience, such as stadium seating providing unobstructed viewing, digital sound and enhanced seat design. We believe our introduction of the megaplex concept to North America in 1995 has led to the current industry replacement cycle, which has accelerated the obsolescence of older, smaller theatres by setting new standards for moviegoers. From 1995 through June 28, 2007, AMC Entertainment and Loews added 202 theatres with 3,643 new screens, acquired 431 theatres with 3,007 screens and disposed of 684 theatres with 4,159 screens. As of June 28, 2007, approximately 73% of our screens in the United States and Canada were located in megaplex theatres.

Stock-Based Compensation

We account for stock-based employee compensation arrangements in accordance with the provisions of SFAS No. 123(R), *Shared-Based Payment (Revised)* and Staff Accounting Bulletin No 107 *Share Based Payments*. Under SFAS 123(R), compensation cost is calculated on the date of the grant and then amortized over the vesting period. The fair value of each stock option was estimated on the grant date using the Black-Scholes option pricing model using the following assumptions: common stock value on the grant date, risk-free interest rate, expected term, expected volatility, and dividend yield. Option awards which require classification as a liability under FAS 123(R) are revalued at each subsequent reporting date using the Black-Scholes model.

We granted 38,876.72873 options on December 23, 2004 and 600 options on January 26, 2006 to employees to acquire our common stock. The fair value of these options on their respective grant dates was $22,373,000 and $138,000. All of these options are equity classified except for 7,684.57447 unexercised options granted on December 23, 2004 which are classified as a liability. The holder of options which are classified as a liability exercised options on 500 shares during the thirteen weeks ended June 28, 2007.

The common stock value used to estimate the fair value of each option on the December 23, 2004 grant date was based upon a contemporaneous third party arms-length transaction on December 23, 2004 in which we sold 769,350 shares of our common stock for $1,000 per share to unrelated parties. Accordingly, because we had contemporaneous objective evidence of the fair value of our common stock on December 23, 2004, we did not obtain a contemporaneous valuation by an unrelated valuation specialist.

For the 7,684.57447 option awards classified as liabilities, the Company revalued the options at each period end following the grant date using the Black-Scholes model. As discussed in note 6 to our unaudited consolidated financial statements included elsewhere in this prospectus, the Company reported a liability for these options of $6,339,000. In valuing this liability, the Company used a fair value of common stock of $1,300.00 per share which was based on a contemporaneous valuation by an unrelated valuation specialist.

Our Chairman of the Board, President and Chief Executive Officer, Peter C. Brown's amended and restated employment agreement will generally revert to his prior agreement if an initial public offering of Parent does not occur on or before December 31, 2007. In the event of an initial public offering on or before December 31, 2007, within 15 days after such initial public offering, Mr. Brown shall receive a grant of restricted stock or restricted stock units having a value of $2,567,000 on the date of grant based on the initial public offering price. This grant was an inducement for Mr. Brown to enter into his amended and restated employment agreement, whereby the term of his employment would be shorter than in his current employment agreement and he would be subject to certain restrictive covenants that did not exist in his current employment agreement. Such grant shall vest in three equal annual installments on the first three anniversaries of the grant date. We expect that we would incur annual stock-based compensation expense of $856,000 related to these awards for three years from the date of grant in the event this offering is completed on or before December 31, 2007.

Critical Accounting Estimates

The accounting estimates identified below are critical to our business operations and the understanding of our results of operations. The impact of, and any associated risks related to, these estimates on our business operations are discussed throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations where such estimates affect our reported and expected financial results. For a detailed discussion on the application of these estimates and other accounting policies, see the notes to Holdings' consolidated financial statements included elsewhere in this prospectus. The methods and judgments we use in applying our accounting estimates have a significant impact on the results we report in our financial statements. Some of our accounting estimates require us to make difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Our most critical accounting estimates include the assessment of recoverability of long-lived assets, including intangibles, which impacts impairment of long-lived assets when we impair assets or accelerate their depreciation; recoverability of goodwill, which creates the potential for write-offs of goodwill; recognition and measurement of current and deferred income tax assets and liabilities, which impacts our tax provision; recognition and measurement of our remaining lease obligations to landlords on our closed theatres and other vacant space, which impacts theatre and other closure expense; estimation of self-insurance reserves which impacts theatre operating and general and administrative expenses; recognition and measurement of net periodic benefit costs for our pension and other defined benefit programs, which impacts general and administrative expense; estimation of film settlement terms and measurement of film rental fees which impacts film exhibition costs and estimation of the fair value of assets acquired, liabilities assumed and consideration paid for acquisitions, which impacts the measurement of assets acquired (including goodwill) and liabilities assumed in a business combination. Below, we discuss these areas further, as well as the estimates and judgments involved.

Impairments. We review long-lived assets, including intangibles and investments in unconsolidated subsidiaries accounted for under the equity method, for impairment as part of our annual budgeting process and whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. We review internal management reports on a quarterly basis as well as monitor current and potential future competition in the markets where we operate for indicators of triggering events or circumstances that indicate impairment of individual theatre assets. We evaluate theatres using historical and projected data of theatre level cash flow as our primary indicator of potential impairment and consider the seasonality of our business when evaluating theatres for impairment. The Company performs its annual impairment analysis during the fourth quarter because Christmas and New Years holiday results comprise a significant portion of our operating cash flow, the actual results from this period, which are available during the fourth quarter of each fiscal year, are an integral part of our impairment analysis. As a result of these analyses, if the sum of the estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount of the asset, an impairment loss is recognized in the amount by which the carrying value of the asset exceeds its estimated fair value. Assets are evaluated for impairment on an individual theatre basis, which we believe is the lowest level for which there are identifiable cash flows. The impairment evaluation is based on the estimated cash flows from continuing use until the expected disposal date or the fair value of furniture, fixtures and equipment. The expected disposal date does not exceed the remaining lease period and is often less than the remaining lease period when we do not expect to operate the theatre to the end of its lease term. The fair value of assets is determined as either the expected selling price less selling costs (where appropriate) or the present value of the estimated future cash flows. The fair value of furniture, fixtures and equipment has been determined using similar asset sales and in some instances the assistance of third party valuation studies. The discount rate used in determining the present value of the estimated future cash flows was 20% and was based on management's expected return on assets during fiscal 2007, 2006 and 2005. There is considerable management judgment necessary to determine the future cash flows, fair value and the expected operating period of a theatre,

and, accordingly, actual results could vary significantly from such estimates. We have recorded impairments of long-lived assets of $10.7 million, $12.0 million and $0 during fiscal 2007, 2006 and 2005, respectively.

Goodwill. Our recorded goodwill was $2,061.6 million and $2,066.9 million as of June 28,2007 and March 29, 2007, respectively. We evaluate goodwill for impairment annually as of the beginning of the fourth fiscal quarter and any time an event occurs or circumstances change that reduce the fair value for a reporting unit below its carrying amount. Goodwill is recorded in our U.S. and Canada theatrical exhibition operating segment and in Cinemex, which are also our reporting units for purposes of evaluating our recorded goodwill for impairment. If the carrying value of the reporting unit exceeds its fair value we are required to reallocate the fair value of the reporting unit as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the price paid to acquire the reporting unit. We determine fair value by using an enterprise valuation methodology determined by applying multiples to cash flow estimates less net indebtedness or by using the assistance of third party valuation studies, which we believe is an appropriate method to determine fair value. There is considerable management judgment with respect to cash flow estimates and appropriate multiples to be used in determining fair value.

Income taxes. In determining income for financial statement purposes, we must make certain estimates and judgments. These estimates and judgments occur in the calculation of certain tax liabilities and in the determination of the recoverability of certain of the deferred tax assets, which arise from temporary differences between the tax and financial statement recognition of revenue and expense as well as operating loss and tax credit carryforwards. We must assess the likelihood that we will be able to recover our deferred tax assets in each domestic and foreign tax jurisdiction in which we operate. If recovery is not more likely than not, we must record a valuation allowance for the deferred tax assets that we estimate are more likely than not unrealizable. As of June 28, 2007, we had recorded approximately $5.3 million of net deferred tax assets (net of valuation allowances of $373.5 million) and as of March 29, 2007, we had recorded approximately $0 million of net deferred tax assets (net of valuation allowances of approximately $383.8 million) related to the estimated future tax benefits of temporary differences between the tax bases of assets and liabilities and amounts reported in the accompanying consolidated balance sheets, as well as operating loss and tax credit carryforwards. The recoverability of these deferred income tax assets is dependent upon our ability to generate future taxable income in the relevant taxing jurisdictions. Projections of future taxable income require considerable management judgment about future attendance levels, revenues and expenses.

Theatre and Other Closure (Income) Expense. Theatre and other closure expense is primarily related to payments made or expected to be made to landlords to terminate leases on certain of our closed theatres, other vacant space and theatres where development has been discontinued. Theatre and other closure expense is recognized at the time the theatre closes, space becomes vacant or development is discontinued. Expected payments to landlords are based on actual or discounted contractual amounts. We estimate theatre closure expense based on contractual lease terms and our estimates of taxes and utilities. The discount rate we use to estimate theatre and other closure expense is based on estimates of our borrowing costs at the time of closing. Prior to the merger with Marquee our discount rates ranged from 6.6% to 21.0%. As a result of the merger with Marquee, we have remeasured our liability for theatre closure at a rate of 7.55%, our estimated borrowing cost on the date of this merger. We have recorded theatre and other closure (income) expense of $(14.8) million and $2.0 million during the thirteen weeks ended June 28, 2007 and June 29, 2006, respectively. We have recorded theatre and other closure expense of $9.0 million, $0.6 million and $1.3 million during the Successor periods ended March 29, 2007, March 30, 2006 and March 31, 2005 and $10.7 million during the Predecessor period ended December 31, 2004.

Casualty Insurance. We are self-insured for general liability up to $500,000 per occurrence and carry a $400,000 deductible limit per occurrence for workers compensation claims. We utilize actuarial projections of our estimated ultimate losses that we will be responsible for paying and as a result there is considerable judgment necessary to determine our casualty insurance reserves. The actuarial method that we use includes an allowance for adverse developments on known claims and an allowance for claims which have been incurred but which have not been reported. As of June 28, 2007 and March 29, 2007, we had recorded casualty insurance reserves of $26.3 million and $25.7 million, respectively. We have recorded expense related to general liability and workers compensation claims of $14.7 million, $10.9 million and $2.1 million during the Successor periods ended March 29, 2007, March 30, 2006 and March 31, 2005, respectively, and $8.3 million during the Predecessor period ended December 23, 2004.

Pension and Postretirement Assumptions. Pension and postretirement benefit obligations and the related effects on operations are calculated using actuarial models. Two critical assumptions, discount rate and expected return on assets, are important elements of plan expense and/or liability measurement. We evaluate these critical assumptions at least annually. Other assumptions involve demographic factors such as retirement, expected increases in compensation, mortality and turnover. These assumptions are evaluated periodically and are updated to reflect our experience. Actual results in any given year will often differ from actuarial assumptions because of economic and other factors.

The discount rate enables us to state expected future cash flows at a present value on the measurement date. We have little latitude in selecting this rate, as it is required to represent the market rate for high-quality fixed income investments. A lower discount rate increases the present value of benefit obligations and increases pension and postretirement expense. For our principal pension plans, a 50 basis point decrease in the discount rate would increase pension expense by approximately $1.2 million. For our postretirement plans, a 50 basis point decrease in the discount rate would increase postretirement expense by approximately $76,000. We maintained our discount rate at $5^{3}/_{4}\%$ for the AMC Entertainment plans and $5^{1}/_{2}\%$ for the Loews plans for fiscal 2007. On November 7, 2006, our Board of Directors approved an amendment to freeze our Defined Benefit Retirement Income Plan, Supplemental Executive Retirement Plan and Retirement Enhancement Plan (the "Plans") as of December 31, 2006. On December 20, 2006 we amended and restated the Plans to implement the freeze as of December 31, 2006. As a result of the freeze there will be no further benefits accrued after December 31, 2006, but continued vesting for associates with less than five years of vesting service. We will continue to fund existing benefit obligations and there will be no new participants in the future. As a result of amending and restating the Plans to implement the freeze, we recognized a curtailment gain of $11.0 million in our consolidated financial statements which reduced our pension expense for fiscal 2007. In connection with a recent reorganization, there was a reduction in certain pension and postretirement plan participants, which resulted in curtailment gains in fiscal 2006 for accounting purposes of $2.3 million. We have recorded expenses for our pension and postretirement plans of $0.4 million and $1.6 million during the thirteen weeks ended June 28, 2007 and June 29, 2006, respectively. We have recorded expenses for our pension and postretirement plans of ($4.5) million, $4.7 million and $1.8 million during the Successor periods ended March 29, 2007, March 30, 2006 and March 31, 2005, respectively, and $5.3 million during the Predecessor period ended December 23, 2004. We expect that our total pension and postretirement expense (excluding the curtailment gain) will decrease by approximately $5.4 million from fiscal 2007 to fiscal 2008, due primarily to the freeze.

To determine the expected long-term rate of return on pension plan assets, we consider the current and expected asset allocations, as well as historical and expected returns on various categories of plan assets obtained from our investment portfolio manager. A 50 basis point decrease in the expected return on assets of our qualified defined benefit pension plan would increase pension expense on our principal plans by approximately $242,000 per year. Note 12 to our consolidated financial statements

included elsewhere in this prospectus includes disclosures of our pension plan and postretirement plan assumptions and information about our pension plan assets.

Film Exhibition Costs. We predominantly license "first-run" motion pictures on a film-by-film and theatre-by-theatre basis from distributors owned by major film production companies and from independent distributors. We obtain these licenses based on several factors, including number of seats and screens available for a particular picture, revenue potential and the location and condition of our theatres. We pay rental fees on a negotiated basis.

Licenses that we enter into typically state that rental fees are based on either aggregate terms established prior to the opening of the picture or on a mutually agreed settlement upon the conclusion of the picture run. Under an aggregate terms formula, we pay the distributor a specified percentage of box office receipts. The settlement process allows for negotiation based upon how a film actually performs.

We accrue film exhibition costs based on the applicable box office receipts and estimates of the final settlement pursuant to the film licenses entered into with our distributors. Generally, less than one third of our quarterly film exhibition cost is estimated at period-end. The length of time until these costs are known with certainty depends on the ultimate duration of the film play, but is typically "settled" within two to three months of a particular film's opening release. Upon settlement with our film distributors, film cost expense and the related film cost payable are adjusted to the final film settlement. Such adjustments have been historically insignificant. However, actual film costs and film costs payable could differ materially from those estimates. For fiscal years 2007, 2006 and 2005 there were no significant changes in our film cost estimation and settlement procedures.

As of June 28, 2007, March 29, 2007 and March 30, 2006, we had recorded film payables of $79.0 million, $72 million and $66 million, respectively. We have recorded film exhibition costs of $221.8 million and $228.0 million during the thirteen weeks ended June 28, 2007 and June 29, 2006, respectively. We have recorded film exhibition costs of $856 million, $595 million and $153 million during the Successor periods ended March 29, 2007, March 30, 2006 and March 31, 2005 and $453 million during the Predecessor period ended December 23, 2004.

Acquisitions. We account for our acquisitions of theatrical exhibition businesses using the purchase method. The purchase method requires that we estimate the fair value of the individual assets and liabilities acquired as well as various forms of consideration given including cash, common stock, senior subordinated notes and bankruptcy related claims. We have obtained independent third party valuation studies for certain of the assets and liabilities acquired to assist us in determining fair value. The estimation of the fair value of the assets and liabilities acquired including deferred tax assets and liabilities related to such amounts and consideration given involves a number of judgments and estimates that could differ materially from the actual amounts.

We completed the Loews Acquisition on January 26, 2006. The acquisition was treated as a purchase in accordance with SFAS No. 141, *Business Combinations* for an estimated purchase price of $537,171,000. Consideration was provided through a stock issuance by Holdings. The consolidated financials include only the results of Loews operations from the date of the Loews Acquisition.

We completed the merger with Marquee on December 23, 2004. The merger was treated as a purchase with Marquee being the "accounting acquirer" in accordance with SFAS No. 141, *Business Combinations.* As a result, the Successor applied the purchase method of accounting to the separable assets, including goodwill, and liabilities of the accounting acquiree and Predecessor, AMC Entertainment, as of December 23, 2004, the merger date. The consolidated financial statements presented herein are those of the accounting acquirer from its inception on July 16, 2004 through March 30, 2006, and those of its Predecessor, AMC Entertainment, for all periods presented through the merger date.

Operating Results

All periods commencing on or after December 24, 2004 are referred to herein as a "Successor" period. The thirty-eight weeks that ended December 23, 2004 occurred prior to the consummation of the Loews Acquisition and are referred to herein as the "Predecessor" period. As a result of the merger with Marquee, we are required to separately present our operating results for the Predecessor and the Successor in the thirty-eight weeks ended December 23, 2004 and the fourteen weeks ended March 31, 2005 under generally accepted accounting principles. In the following discussion, the results for the fifty-two weeks ended March 31, 2005 are adjusted to reflect the pro forma effect of the merger with Marquee as if it had occurred on April 2, 2004. Pro forma adjustments relate primarily to decreased rent expense, resulting from unfavorable leases; increased depreciation and amortization, resulting from increases in fixed asset and intangibles values and increased interest expense resulting from increases in corporate borrowings. We believe this is the most meaningful and practical way to comment on our results of operations.

The following table sets forth our revenues, costs and expenses attributable to our United States and Canada and International theatrical exhibition operations and Other businesses. Reference is made to note 13 to our unaudited consolidated financial statements and to note 16 to our audited consolidated financial statements included elsewhere in this prospectus for additional information about our operations by operating segment.

Fiscal years 2007, 2006 and 2005 include 52 weeks.

	13 Weeks Ended June 28, 2007	13 Weeks Ended June 29, 2006	52 Weeks Ended March 29, 2007	52 Weeks Ended March 30, 2006	14 Weeks Ended March 31, 2005	38 Weeks Ended December 23, 2004	Pro Forma Adjust-ments	Pro Forma 52 Weeks Ended March 31, 2005
	(Successor)	(Successor)	(Successor)	(Successor)	(Successor)	(Predecessor)		
Revenues								
U.S. and Canada theatrical exhibition								
Admissions	$ 388,685	$ 408,839	$ 1,564,850	$ 1,110,464	$ 292,514	$ 836,254	$	$ 1,128,768
Concessions	65,348	164,309	627,179	443,580	115,997	326,086		442,083
Other theatre	16,540	24,543	92,823	76,485	14,052	43,306		57,358
	570,573	597,691	2,284,852	1,630,529	422,563	1,205,646		1,628,209
International theatrical exhibition								
Admissions	28,189	26,801	95,089	27,570	4,796	11,222		16,018
Concessions	18,879	16,735	59,139	12,448	1,269	2,884		4,153
Other theatre	4,851	4,593	22,318	3,424	365	709		1,074
	51,919	48,129	176,546	43,442	6,430	14,815		21,245
Other		14	173	12,907	10,467	38,811		49,278
Total revenues	$ 622,492	$ 645,834	$ 2,461,571	$ 1,686,878	$ 439,460	$ 1,259,272		$ 1,698,732
Costs and Expenses								
U.S. and Canada theatrical exhibition								
Film exhibition costs	$ 209,479	$ 216,116	$ 815,321	$ 583,626	$ 150,557	$ 447,412		$ 597,969
Concession costs	17,725	18,074	65,567	47,922	12,575	37,161		49,736
Theatre operating expense	144,228	143,147	569,924	421,665	103,578	286,706		390,284
Rent	105,407	105,567	419,443	317,181	77,804	214,927	(3,229)	289,502
Preopening expense	1,965	565	4,776	5,768	39	1,292		1,331
Theatre and other closure expense	(14,838)	2,010	8,966	1,313	988	10,758		11,746
	463,966	485,479	1,883,997	1,377,475	345,541	998,256	(3,229)	1,340,568
International theatrical exhibition								
Film exhibition costs	12,368	11,835	40,483	11,727	2,190	5,315		7,505
Concession costs	4,462	3,941	14,144	2,659	226	719		945
Theatre operating expense	12,141	11,609	47,363	14,888	1,551	6,281		7,832
Rent	7,301	6,752	26,481	12,697	2,972	8,807	(2,231)	9,548
Pre-opening expense	120	477	1,793	839				
Theatre and other closure expense	10	33	45	(712)				
	36,402	34,647	130,309	42,098	6,939	21,122	(2,231)	25,830
Other	156	425	1,789	14,969	10,461	31,440		41,901
Theatre and other closure expense (included in other)					279			279

	13 Weeks Ended June 28, 2007	13 Weeks Ended June 29, 2006	52 Weeks Ended March 29, 2007	52 Weeks Ended March 30, 2006	14 Weeks Ended March 31, 2005	38 Weeks Ended December 23, 2004	Pro Forma Adjust-ments	Pro Forma 52 Weeks Ended March 31, 2005
General and administrative expense:								
Acquisition and Transaction Costs	4,550	3,752	12,447	12,523	22,286	42,732		65,018
Management Fee	1,250	1,250	5,000	2,000	500		1,500	2,000
Other	13,088	15,773	55,875	40,251	14,615	33,727		48,342
Restructuring Charge				3,980	4,926			4,926
Depreciation and amortization	63,689	63,896	256,472	164,047	43,931	86,052	27,798	157,781
Impairment of long-lived assets			10,686	11,974				
Disposition of assets and other gains		1,436	(11,183)	(997)	(302)	(2,715)		(3,017)
Total costs and expenses	$ 583,101	$ 606,658	$ 2,345,392	$ 1,668,320	$ 449,176	$ 1,210,614	$ 23,838	$ 1,683,628

Thirteen Weeks Ended June 28, 2007 and June 29, 2006

Revenues. Total revenues decreased 3.6%, or $23,342,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006.

U.S. and Canada theatrical exhibition revenues decreased 4.5%, or $27,118,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006. Admissions revenues decreased 4.9%, or $20,154,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006, due to a 9% decrease in attendance, partially offset by a 4.5% increase in average ticket prices. We believe there were several contributing factors: (1) Admissions revenues at comparable theatres (theatres opened on or before the first quarter of fiscal 2007) decreased 4.8%, or $18,922,000, during the thirteen weeks ended June 28, 2007 from the comparable period last year. Based upon available industry sources, box office revenues of industry comparable theatres in the markets where we operate decreased 3.5% over the same period. This difference is due to several factors, including the strong prior year performance of our comparable theatres (which increased 5.6%) versus industry comparable theatres (which increased 3.6%) during the thirteen weeks ended June 29, 2006 compared to the thirteen week period ended June 30, 2005. Fluctuations such as this result from changes in distribution and performance of films released between periods. In certain circumstances, high-grossing films expand the overall market size due to the increase in number of prints released. Even though our box office performance on such films increases due to the film's popularity, the market expansion from these high grossing films can dilute our overall performance against the industry. This occurred during the thirteen weeks ended June 28, 2007 with the release of three very popular, mainstream movies that were each distributed to over 4,000 theatres and produced box office admissions revenues in the United States and Canada of approximately $915 million. 2) Based upon available industry sources, the admissions revenues of our net new builds (admissions revenues from new theatres $13,522,000 less admissions revenues of closed theatres $7,454,000 and less admissions revenues of Loews Dispositions $7,300,000), was less than the contribution of net new builds for the overall industry. The increase in average ticket price was primarily due to our practice of periodically reviewing ticket prices and the discounts we offer and making selective adjustments based upon such factors as general inflationary trends and conditions in local markets. Concessions revenues increased 0.6%, or $1,039,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006 due to a 10.6% increase in average concessions per patron related to price increases and an increased in units per patron, offset by the decrease in attendance. Other theatre revenues decreased 33.2%, or $8,147,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006. Included in other theatre revenues are our share of on-screen advertising revenues generated by NCM. The decrease in other theatre revenues was primarily due to decreases in on-screen advertising revenues as a result of the amended and restated ESA with NCM.

International theatrical exhibition revenues increased 7.9%, or $3,790,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006. Admissions revenues increased by 5.2%, or $1,388,000, due to a 4.7% increase in average ticket price and a 0.5% increase in attendance. We opened 2 theatres with 21 screens in Mexico since June 29, 2006. Concessions revenues increased 12.8%, or $2,144,000, due to a 12.3% increase in concessions per patron and the increase in attendance. Concessions per patron increased in Mexico due primarily to price increases and increased promotions which helped to increase transaction size and incidence of purchase. International revenues were positively impacted by a weaker U.S. dollar, although this did not contribute materially to our consolidated earnings from continuing operations.

Costs and expenses. Total costs and expenses decreased 3.9%, or $23,557,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006.

U.S. and Canada theatrical exhibition costs and expenses decreased 4.4%, or $21,513,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006. Film exhibition costs decreased 3.1%, or $6,637,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006 due to the decrease in admissions revenues, offset by an increase in the percentage of admissions paid to film distributors. As a percentage of admissions revenues, film exhibition costs were 53.9% in the current period as compared with 52.9% in the prior period due to the release of three very popular, mainstream movies during the thirteen weeks ended June 28, 2007 whose popularity and audience appeal drove higher percentage film rent terms than experienced during the thirteen weeks ended June 29, 2006. Higher grossing movies generally carry higher film terms as a percentage of admissions revenues than lower grossing movies. Concession costs decreased 1.9%, or $349,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006 due to the decrease in concession costs as a percentage of concessions revenues, partially offset by the increase in concession revenues. As a percentage of concessions revenues, concession costs were 10.7% in the current period compared with 11.0% in the prior period. As a percentage of revenues, theatre operating expense was 25.3% in the current period as compared to 24.0% in the prior period. Preopening expense increased $1,400,000 during the thirteen weeks ended June 28, 2007 due primarily to the increase in screen additions during the period. Rent expense decreased 0.2%, or $160,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006. During the thirteen weeks ended June 28, 2007, we recognized $14,838,000 of theatre and other closure income due primarily to lease terminations negotiated on favorable terms for two of our theatres that were closed during the thirteen weeks ended June 28, 2007. During the thirteen weeks ended June 29, 2006, we recognized $2,010,000 of theatre and other closure expense related primarily to the closure of one theatre with 8 screens and to accretion of the closure liability related to theatres closed during prior periods.

International theatrical exhibition costs and expenses increased 5.1%, or $1,755,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006. Film exhibition costs increased 4.5%, or $533,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006 due to the increase in admissions revenues partially offset by a decrease in the percentage of admissions paid to film distributors. Concession costs increased $521,000 during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006 due to the increase in concession revenues. As a percentage of concessions revenues, concession costs were 23.6% in the current period compared with 23.5% in the prior period. As a percentage of revenues, theatre operating expense was 23.4% in the current period compared to 24.1% in the prior period. Rent expense increased 8.1%, or $549,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006 primarily due to the opening of 2 theatres with 21 screens in Mexico since June 29, 2006. International costs and expenses were negatively impacted by a weaker U.S. dollar, although this did not contribute materially to our consolidated earnings from continuing operations. We continually monitor the performance of our international theatres, and factors such as changing consumer preferences for filmed entertainment in international markets and our inability to sublease vacant retail space could negatively impact operating results and result in future closures, sales, dispositions and theatre closure charges prior to expiration of underlying lease agreements.

General and Administrative

Merger and acquisition costs. Merger, acquisition and transaction costs increased $798,000 from $3,752,000 to $4,550,000 during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006. Current period costs are primarily comprised of professional and consulting expenses related to a proposed initial public offering of common stock that was withdrawn on June 19, 2007 and preacquisition expenses for casualty insurance losses related to the Loews Acquisition.

Management fees. Management fees were unchanged during the thirteen weeks ended June 28, 2007. Management fees of $1,250,000 are paid quarterly, in advance, to our Sponsors in exchange for consulting and other services.

Other. Other general and administrative expense decreased 17.0%, or $2,685,000, during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006. The decrease in other general and administrative expenses is primarily due to a decrease in pension expense of $1,229,000 related to an amendment to freeze our Plans as of December 31, 2006 and a decrease in incentive compensation of $718,000 related to declines in operating performance. Additionally, stock compensation expense decreased $520,000 during the thirteen weeks ended June 28, 2007 compared to the thirteen weeks ended June 29, 2006 due to the accelerated vesting of certain options as a result of entry into a separation and general release agreement with the holder of these options during the thirteen weeks ended March 29, 2007. As a result of the accelerated vesting during the prior year, there is no expense related to these options during the current year.

Depreciation and Amortization. Depreciation and amortization decreased 0.3%, or $207,000, compared to the prior period.

Disposition of Assets and Other Gains. Disposition of assets and other losses were $0 in the current period compared to $1,436,000 in the prior period. The prior period includes $1,350,000, of settlements received related to fireproofing litigation recoveries at various theatres and a loss on the Loews Dispositions of $2,570,000.

Other Income. Other income includes $1,754,000 and $1,460,000 of income related to the derecognition of stored value card liabilities as to which we believe future redemption to be remote, during the thirteen weeks ended June 28, 2007 and June 29, 2006, respectively. Other income includes insurance recoveries related to Hurricane Katrina of $1,246,000 for property losses in excess of property carrying cost and $397,000 for business interruption during the thirteen weeks ended June 28, 2007.

Interest Expense. Interest expense decreased 18.8%, or $10,798,000, primarily due to decreased borrowings offset by additional interest expense of $1,967,000 related to the Parent Term Loan Facility.

AMC received net proceeds upon completion of the NCM, Inc. IPO and debt financing of $517,122,000. We used the net proceeds from the NCM, Inc. IPO, along with cash on hand, to redeem the Notes due 2011, the Floating Notes due 2010 and the Notes due 2012. On March 19, 2007, we redeemed $212,811,000 aggregate principal amount of the Notes due 2011 at 100% of principal value, on March 23, 2007, we redeemed $205,000,000 aggregate principal amount of the Floating Notes due 2010 at 103% of principal value and on March 23, 2007, we redeemed $175,000,000 aggregate principal amount of the Notes due 2012 at 104.938% of principal value.

To help finance the $652,800,000 dividend paid to our stockholders discussed in note 6 to our unaudited consolidated financial statements included elsewhere in this prospectus, we entered into the Parent Term Loan Facility on June 13, 2007 for net proceeds of $396,000,000. The interest rate on borrowings under the Parent Term Loan Facility was 10.36% per annum as of June 28, 2007.

Equity in (Earnings) Losses of Non-Consolidated Entities. Equity in earnings of non-consolidated entities were ($2,253,000) in the current period compared to losses of $2,157,000 in the prior period. Equity in (earnings) losses related to our investment in National CineMedia, LLC were ($1,810,000) and $1,308,000 for the thirteen weeks ended June 28, 2007 and June 29, 2006, respectively. Equity in losses related to Yelmo were $1,093,000 during the thirteen weeks ended June 29, 2006.

Investment Income. Investment income was $19,286,000 for the thirteen weeks ended June 28, 2007 compared to $2,528,000 for the thirteen weeks ended June 29, 2006. The thirteen weeks ended

June 28, 2007 includes a gain on the sale of our investment in Fandango of $15,744,000. Interest income increased $872,000 from the prior period due primarily to higher rates of interest earned on cash and equivalents available for investment.

Income Tax Provision (Benefit). The provision for income taxes from continuing operations was $3,000,000 for the thirteen weeks ended June 28, 2007 and $300,000 for the thirteen weeks ended June 29, 2006 due primarily to the increase in earnings from continuing operations before income taxes. See note 11 to our unaudited consolidated financial statements included elsewhere in this prospectus.

Earnings from Discontinued Operations, Net. On May 11, 2006, we sold our operations in Iberia, including 4 theatres with 86 screens in Spain and 1 theatre with 20 screens in Portugal. At the date of the sale these operations did not meet the criteria for discontinued operations because of continuing involvement in the region through an equity method investment in Yelmo. In December 2006, we disposed of our investment in Yelmo, including 27 theatres with 310 screens in Spain, and the results of the operations in Iberia have now been classified as discontinued operations. See note 3 to our unaudited consolidated financial statements included elsewhere in this prospectus.

Net Earnings (Loss) Net earnings (loss) was $14,597,000 and ($14,142,000) for the thirteen weeks ended June 28, 2007 and June 29, 2006, respectively.

For the Year Ended March 29, 2007 and March 30, 2006

Revenues. Total revenues increased 45.9%, or $774,693,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006. This increase included approximately $633,436,000 of additional admission and concessions revenues resulting from the Loews Acquisition.

U.S. and Canada theatrical exhibition revenues increased 40.1%, or $654,323,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006. Admissions revenues increased 40.9%, or $454,386,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006, due to a 32.7% increase in total attendance, including the increased attendance and admissions revenues of $375,953,000 due to the Loews Acquisition, and a 6.2% increase in average ticket prices. Admissions revenues at comparable theatres (theatres opened on or before the first quarter of fiscal 2006) increased 7.9% during the year ended March 29, 2007 over the comparable period last year, primarily due to a 5.0% increase in average ticket price and a 2.8% increase in attendance at comparable theatres. The increase in average ticket price was primarily due to our practice of periodically reviewing ticket prices and the discounts we offer and making selective adjustments based upon such factors as general inflationary trends and conditions in local markets. Based upon available industry sources, box office revenues of our comparable theatres (including comparable theatres acquired in the Loews Acquisition) performed in line with overall performance of industry comparable theatres in the markets where we operate. Concessions revenues increased 41.4%, or $183,599,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006 due to the increase in attendance and a 6.6% increase in average concessions per patron related primarily to price increases. Concession revenues increased by $140,807,000 due to the Loews Acquisition. Other theatre revenues increased 21.4%, or $16,338,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006. Included in other theatre revenues are our share of on-screen advertising revenues generated by NCN and NCM. The increase in other theatre revenues was primarily due to increases in on-screen advertising revenues as a result of the Loews Acquisition.

International theatrical exhibition revenues increased $133,104,000 during the year ended March 29, 2007 compared to the year ended March 30, 2006. Admissions revenues increased by $70,224,000 due to the theatres acquired in Mexico in the Loews Acquisition. Overall, admissions revenues increased $67,519,000 during the year ended March 29, 2007 compared to the year ended

March 30, 2006. Concessions revenues increased $46,452,000 due to the theatres acquired in Mexico in the Loews Acquisition. Overall, concession revenues increased $46,691,000 during the year ended March 29, 2007 compared to the year ended March 30, 2006.

Revenues from Other decreased 98.7%, or $12,734,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006 due to the contribution of NCN's net assets to NCM on March 29, 2005 and the related run-off of customer contracts. The revenues of NCN during fiscal 2006 and 2007 are comprised of customer contracts entered into prior to March 29, 2005. Our share of advertising revenues generated by NCM are included in U.S. and Canada Other theatre revenues.

Costs and expenses. Total costs and expenses increased 40.6%, or $677,072,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006. The effect of the Loews Acquisition was an increase in total costs and expenses of approximately $565,751,000.

U.S. and Canada theatrical exhibition costs and expenses increased 36.8%, or $506,522,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006. Film exhibition costs increased 39.7%, or $231,695,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006 due to the increase in admissions revenues, offset by a decrease in the percentage of admissions paid to film distributors. As a percentage of admissions revenues, film exhibition costs were 52.1% in the current period as compared with 52.6% in the prior period due to more favorable film rental terms primarily from theatres acquired in the Loews Acquisition. Concession costs increased 36.8%, or $17,645,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006 due to the increase in concessions revenues, partially offset by a decrease in concession costs as a percentage of concessions revenues. As a percentage of concessions revenues, concession costs were 10.5% in the current period compared with 10.8% in the prior period. As a percentage of revenues, theatre operating expense was 24.9% in the current period as compared to 25.9% in the prior period. Rent expense increased 32.2%, or $102,262,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006 primarily due to the Loews Acquisition, which increased rent expense by approximately $84,523,000. During the year ended March 29, 2007, we recognized $8,966,000 of theatre and other closure expense due primarily to the closure of 26 theatres with 253 screens and to accretion of the closure liability related to theatres closed during prior periods. During the year ended March 30, 2006, we recognized $1,313,000 of theatre and other closure expense related primarily to accretion of the closure liability related to theatres closed during prior periods.

International theatrical exhibition costs and expenses increased $88,211,000 during the year ended March 29, 2007 compared to the year ended March 30, 2006. Film exhibition costs increased $28,756,000 during the year ended March 29, 2007 compared to the year ended March 30, 2006 due to the increase in admissions revenues. Overall, film exhibition costs increased $30,042,000 during the year ended March 29, 2007 compared to the year ended March 30, 2006 due to the theatres acquired in Mexico. Concession costs increased $11,485,000 during the year ended March 29, 2007 compared to the year ended March 30, 2006 due to the increase in concession revenues. Overall, concession costs increased $11,362,000 during the year ended March 29, 2007 compared to the year ended March 30, 2006 due to the theatres acquired in Mexico. As a percentage of revenues, theatre operating expense was 26.8% in the current period compared to 34.3% in the prior period. Theatre operating expense as a percentage of revenues in Mexico were 25.2% in the current period. Rent expense increased $13,784,000 during the year ended March 29, 2007 compared to the year ended March 30, 2006 primarily as a result of the theatres acquired in Mexico. We continually monitor the performance of our international theatres, and factors such as changing consumer preferences for filmed entertainment in international markets and our inability to sublease vacant retail space could negatively impact operating results and result in future closures, sales, dispositions and theatre closure charges prior to expiration of underlying lease agreements.

Costs and expenses from Other decreased 88.0%, or $13,180,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006 due to the contribution of net assets by NCN to NCM and run-off of customer contracts.

General and Administrative:

Merger, acquisition and transaction costs. Merger, acquisition and transaction costs decreased $76,000 from $12,523,000 to $12,447,000 during the year ended March 29, 2007 compared to the year ended March 30, 2006. Current year costs are primarily comprised of professional and consulting, repairs and maintenance to update certain of the Loews theatres and salaries costs related to the Loews Acquisition, a proposed initial public offering and other potential divestiture activities. Professional and consulting costs include $2,451,000 of expenses related to a proposed initial public offering of common stock that was withdrawn.

Management fees. Management fees increased $3,000,000 during the year ended March 29, 2007. For fiscal 2007, management fees of $1,250,000 were paid quarterly, in advance, to our Sponsors in exchange for consulting and other services.

Other. Other general and administrative expense increased 38.8%, or $15,624,000, during the year ended March 29, 2007 compared to the year ended March 30, 2006. We incurred increased expense at Cinemex of $7,905,000, incentive-based compensation increased $2,412,000 due to improvements in operating results and we experienced increases in other salaries of $7,179,000 and professional services and consulting of $1,648,000 primarily related to the Loews Acquisition and a payment of $2,465,000 to one of our former executive officers pursuant to his separation and general release agreement. Additionally, stock compensation expense increased $7,135,000 based on the increase in estimated fair value for outstanding liability classified options and accelerated vesting of these options as a result of entry into a separation and general release agreement with the holder of these options (see note 9 to our audited consolidated financial statements included elsewhere in this prospectus). These increases were partially offset by a curtailment gain of $10,983,000 related to our defined benefit pension plan (see note 12 to our audited consolidated financial statements included elsewhere in this prospectus).

Restructuring Charges. Restructuring charges were $0 during the year ended March 29, 2007 as compared to $3,980,000 during the year ended March 30, 2006. The prior period expenses are primarily related to one-time termination benefits and other costs related to the displacement of approximately 200 associates related to an organizational restructuring, which was completed to create a simplified organizational structure and contribution of assets by NCN to NCM.

Impairment of Long-Lived Assets. During fiscal 2007 we recognized a non-cash impairment loss of $10,686,000 on 10 theatres with 117 screens (in New York, Washington, Indiana, Illinois, Michigan, Texas, Pennsylvania and Massachusetts). Of the charge, $1,404,000 was related to intangible assets, net and $9,282,000 was related to property, net. During fiscal 2006 we recognized a non-cash impairment loss of $11,974,000 on four theatres with 66 screens (in Ohio, Illinois, New York and New Jersey). The entire charge was related to property. The estimated future cash flows of these theatres, undiscounted and without interest charges, were less than the carrying value of the theatre assets. We continually evaluate the future plans for certain of our theatres, which may include selling theatres or closing theatres and terminating the leases.

Depreciation and Amortization. Depreciation and amortization increased 56.3%, or $92,425,000, compared to the prior period, due primarily to increased asset values recorded as a result of the Loews Acquisition.

Disposition of Assets and Other Gains. Disposition of assets and other gains were $11,183,000 in the current period compared to $997,000 in the prior period. The current and prior periods include

$13,130,000 and $935,000, respectively, of settlements received related to fireproofing litigation recoveries at various theatres (see note 13 to our audited consolidated financial statements included elsewhere in this prospectus). The current period includes a loss on the Loews Dispositions of $1,946,000.

Other Income. Other income includes $10,992,000 and $8,699,000 of income related to the derecognition of stored value card liabilities where we believe future redemption to be remote, during the year ended March 29, 2007 and March 30, 2006, respectively. Other income includes insurance recoveries related to Hurricane Katrina of $2,469,000 for property losses in excess of property carrying cost and $294,000 for business interruption during the year ended March 29, 2007. Other income also includes insurance recoveries related to Hurricane Katrina of $3,032,000 for property losses related to Hurricane Katrina, net of disposition losses of $346,000 and $1,968,000 for business interruption during the year ended March 30, 2006. During the year ended March 29, 2007 we recorded a loss on redemption of debt as described below of $3,488,000.

Interest Expense. Interest expense increased 62.4%, or $89,272,000, primarily due to increased borrowings.

On January 26, 2006, we issued $325,000,000 of the Notes due 2016 and entered into our senior secured credit facility for $850,000,000, of which $643,500,000 is currently outstanding as a variable rate term note. We also incurred interest expense related to debt held by Cinemex of $12,258,000 during fiscal 2007.

AMC received net proceeds upon completion of the NCM, Inc. IPO of $517,122,000. We used the net proceeds from the NCM, Inc. IPO, along with cash on hand, to redeem the Notes due 2011, the Floating Notes due 2010 and the Notes due 2012. On March 19, 2007 we redeemed $212,811,000 aggregate principal amount of the Notes due 2011 at 100% of principal value, on March 23, 2007 we redeemed $205,000,000 aggregate principal amount of the Floating Notes due 2010 at 103% of principal value and on March 23, 2007 we redeemed $175,000,000 aggregate principal amount of the Notes due 2012 at 104.938% of principal value. Our loss on redemption of these notes including call premiums and the write off of unamortized deferred charges and premiums was $3,488,000.

Equity in (Earnings) Losses of Non-Consolidated Entities. Equity in earnings of non-consolidated entities were $233,704,000 in the current period compared to losses of $7,807,000 in the prior period. Equity in (earnings) losses related to our investment in National CineMedia, LLC were ($234,213,000) and $5,478,000 for the year ended March 29, 2007 and March 30, 2006, respectively. We received net proceeds upon completion of the NCM initial public offering of $517,122,000. We recorded deferred revenues of $231,308,000 for the proceeds we received related to modification payments to our ESA with National CineMedia, LLC. We recorded the $285,814,000 of remaining proceeds we received from the NCM IPO for the redemption of our preferred and common units to first reduce our recorded equity method investment to $0 and second to reflect the remaining proceeds as equity in earnings of non-consolidated entities. As a result we recorded a change of interest gain of $132,627,000 pursuant to SAB Topic 5H and received distributions in excess of our investment in National CineMedia, LLC related to the redemption of preferred and common units of $106,188,000. See note 6 to our audited consolidated financial statements included elsewhere in this prospectus.

Investment Income. Investment income was $18,191,000 for the year ended March 29, 2007 compared to $3,409,000 for the year ended March 28, 2006. Interest income increased $14,786,000 from the prior period due primarily to larger amounts of cash and equivalents available for investment.

Income Tax Provision (Benefit). The provision for income taxes from continuing operations was $31,500,000 for the year ended March 29, 2007 and $71,800,000 for the year ended March 30, 2006. See note 10 to our audited consolidated financial statements included elsewhere in this prospectus.

Loss from Discontinued Operations, Net. On May 11, 2006, we sold our operations in Iberia, including 4 theatres with 86 screens in Spain and 1 theatre with 20 screens in Portugal. At the date of the sale these operations did not meet the criteria for discontinued operations because of continuing involvement in the region through an equity method investment in Yelmo. In December 2006, we disposed of our investment in Yelmo, including 27 theatres with 310 screens in Spain, and the results of the operations in Iberia have now been classified as discontinued operations. On June 30, 2005, we sold Japan AMC Theatres, Inc., including four theatres in Japan with 63 screens, and classified its operations as discontinued operations. The information presented for all fiscal 2007 and 2006 reflects the new classifications. See note 3 to our audited consolidated financial statements included elsewhere in this prospectus for the components of the loss from discontinued operations.

Net Earnings (Loss). Net earnings (loss) was $116,907,000 and ($216,223,000) for the year ended March 29, 2007 and March 30, 2006, respectively.

For the Year Ended March 30, 2006 and Pro Forma Year Ended March 31, 2005

Revenues. Total revenues decreased 0.7%, or $11,854,000, during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005. This decrease was mitigated by approximately $118,840,000 of additional admission and concessions revenues resulting from the Loews Dispositions.

U.S. and Canada theatrical exhibition revenues increased 0.1%, or $2,320,000 during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005. Admissions revenues decreased 1.6% or $18,304,000 during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005, due to a 5.4% decrease in total attendance, partially offset by a 4.0% increase in average ticket prices and the increased attendance and admissions revenues ($70,846,000) due to the Loews Acquisition. Attendance at comparable theatres (theatres opened on or before April 2, 2004 and operated throughout the last two fiscal years) was down 11.8%. Industry-wide box office declined 4%, with attendance estimated to be down nearly 7% in the aggregate (down 10.0% for comparable screens), offset by average ticket price increases estimated to be up 3%. The year over year performance of our U.S. and Canada comparable screens versus industry-wide comparable screens was impacted primarily by competition from new build openings. The increase in average ticket price was primarily due to our practice of periodically reviewing ticket prices and the discounts we offer and making selective adjustments based upon such factors as general inflationary trends and conditions in local markets. Concessions revenues increased 0.3%, or $1,497,000, during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005 due to a 6.0% increase in average concessions per patron related to price increases and an increase in units sold per patron, partially offset by the decrease in attendance. Concession revenues increased by $27,262,000 due to the Loews Acquisition. Other theatre revenues increased 33.3% during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005. Included in other theatre revenues are our share of on-screen advertising revenues generated by NCN and NCM. The increase in other theatre revenues was primarily due to increases in on-screen advertising revenues.

International theatrical exhibition revenues increased $22,197,000, during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005. Admissions revenues increased $12,791,000 due to the theatres acquired in Mexico in the Loews Acquisition. Overall, admissions revenues increased $11,552,000, during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005 primarily due to the theatres acquired in Mexico. Concession revenues increased $7,942,000 due to the theatres acquired in Mexico in the Loews Acquisition. Overall, concession revenues increased $8,295,000 during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005 due primarily to the theatres acquired in Mexico.

Revenues from Other decreased 73.8% during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005 due to the contribution of NCN's net assets to NCM on

March 29, 2005. The revenues of NCN during fiscal 2006 are related to run-off of customer contracts entered into prior to March 29, 2005. Our share of advertising revenues generated by NCM are included in U.S. and Canada other theatre revenues.

Costs and expenses. Total costs and expenses decreased 0.9%, or $15,308,000, during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005. The effect of the Loews Acquisition was an increase in total costs and expenses of approximately $110,401,000.

U.S. and Canada theatrical exhibition costs and expenses increased 2.8% during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005. Film exhibition costs decreased 2.4% during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005 due to the decrease in admissions revenues, offset by a decrease in the percentage of admissions paid to film distributors. As a percentage of admissions revenues, film exhibition costs were 52.6% in the current period as compared with 53.0% in the pro forma period due to more favorable film rental terms primarily from the Loews Acquisition. Concession costs decreased 3.6% during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005 due to the decrease in concessions costs as a percentage of concession revenues, partially offset by the increase in concessions revenues. As a percentage of concessions revenues concession costs were 10.8% in the current period compared with 11.3% in the pro forma period. As a percentage of revenues, theatre operating expense was 25.9% in the current period as compared to 24.0% in the pro forma period. Rent expense increased 9.6% during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005 primarily due to the Loews Acquisition which increased rent expense by $18,415,000. The 2005 pro forma adjustment for $3,229,000 to reduce rent expense results from amortization of step-ups in unfavorable leases recorded in connection with the merger with Marquee. During the year ended March 30, 2006, we recognized $601,000 of theatre and other closure expense due primarily to accretion of the closure liability related to theatres closed during prior periods. During the pro forma year ended March 31, 2005, we recognized $11,746,000 of theatre and other closure expense related primarily to the closure of three theatres with 22 screens.

International theatrical exhibition costs and expenses increased $16,268,000 during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005. Film exhibition costs increased $4,897,000 due to the theatres acquired in Mexico in the Loews Acquisition. Overall, film exhibition costs increased $4,222,000 during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005 due primarily to the theatres acquired in Mexico. Concession costs increased $1,735,000 due to the theatres acquired in Mexico in the Loews Acquisition. Overall, concession costs increased $1,714,000 during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005 due primarily to the theatres acquired in Mexico. As a percentage of revenues, theatre operating expense was 34.3% in the current period compared to 36.9% in the pro forma prior period. Rent expense increased 33.0% during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005 primarily as a result of the Loews Acquisition. The 2005 pro forma adjustment for $2,231,000 to reduce rent expense results from the amortization of step-ups in unfavorable leases recorded in connection with the Loews Acquisition. We continually monitor the performance of our international theatres and factors such as our ability to obtain film product, changing consumer preferences for filmed entertainment in international markets and our ability to sublease vacant retail space which could negatively impact operating results and result in future closures, sales, depositions, and theatre closure charges prior to expiration of underlying lease agreements.

Costs and expenses from Other decreased 64.3% during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005 due to the contribution of net assets by NCN to NCM.

General and Administrative:

Merger and acquisition costs. Merger and acquisition costs decreased $52,495,000 from $65,018,000 to $12,523,000 during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005. The prior year costs were higher primarily due to the costs associated with the Loews Acquisition. Current year costs are primarily comprised of costs related to the Loews Acquisition and other potential acquisition and divestiture activities.

Management fees. Management fees were $2,000,000 for the year ended March 30, 2006 and the pro forma year ended March 31, 2005. The 2005 pro forma adjustment for $1,500,000 to management fee expense represents the adjustment necessary to record the annual management fee of $2,000,000 which was required to be paid quarterly, in advance, to our Sponsors in exchange for consulting and other services under an agreement entered into in connection with the Loews Acquisition. For fiscal 2007, management fees of $1,250,000 will be paid quarterly, in advance, to our Sponsors in exchange for consulting and other services.

Other. Other general and administrative expense decreased 16.7%, or $8,091,000, during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005 primarily due to a $4,648,000 decrease in incentive-based compensation, due to our decline in operating results and a $6,102,000 decrease in salaries and benefits as a result of our organizational restructuring activities.

Restructuring Charge. Restructuring charges were $3,980,000 during the year ended March 30, 2006 as compared to $4,926,000 during the pro forma year ended March 31, 2005. These expenses are primarily related to one-time termination benefits and other costs related to the displacement of approximately 200 associates related to an organizational restructuring, which was completed to create a simplified organizational structure and contribution of assets by NCN to NCM. Our organizational restructuring is complete.

Depreciation and Amortization. Depreciation and amortization increased 4.0%, or $6,266,000, compared to the pro forma period ended March 31, 2005, due primarily to the Loews Acquisition. The 2005 pro forma adjustment for $27,798,000 to increase depreciation and amortization primarily resulted from an increase in asset basis of approximately $130,000,000 recorded in connection with the Loews Acquisition.

Impairment of Long-Lived Assets. During fiscal 2006 we recognized a non-cash impairment loss of $11,974,000 on four theatres with 66 screens (in Ohio, Illinois, New York and New Jersey). The entire charge was taken against property. The estimated future cash flows of these theatres, undiscounted and without interest charges, were less than the carrying value of the theatre assets. We continually evaluate the future plans for certain of our theatres, which may include selling theatres or closing theatres and terminating the leases. No impairment loss was recorded in fiscal 2005.

Disposition of Assets and Other Gains. Disposition of assets and other gains were $997,000 in the current period compared to $3,017,000 in the pro forma period. The current period and pro forma period ended March 31, 2005 include $935,000 and $2,610,000, respectively, of settlements received related to fireproofing claims at various theatres (see note 13 to our audited consolidated financial statements included elsewhere in this prospectus). The current period also includes miscellaneous disposal gains of $62,000. The pro forma period ended March 31, 2005 also included miscellaneous gains of $407,000.

Other Income. Other income includes $8,699,000 of income related to the derecognition of stored value card liabilities where we believe future redemption to be remote, insurance recoveries of $3,032,000 for property losses related to Hurricane Katrina, net of disposition losses of $346,000 and $1,968,000 of business interruption insurance recoveries related to Hurricane Katrina, partially offset by financing costs incurred in connection with the write off of our deferred financing charges of

$3,535,000. Other income, for the prior year on a pro forma basis, primarily included $6,745,000 of income related to the derecognition of stored value card liabilities.

Interest Expense. Interest expense increased $15,112,000 during the year ended March 30, 2006 compared to the pro forma year ended March 31, 2005. The increase primarily relates to increased borrowings used to fund the Loews Acquisition. Included in the pro forma period ended March 31, 2005 is an adjustment for $1,348,000 of additional interest expense which primarily records the borrowings from the Loews Acquisition as if it had occurred at the beginning of the period.

On January 26, 2006, AMC Entertainment issued $325,000,000 of the Notes due 2016 and entered into our senior secured credit facility for $850,000,000, of which $650,000,000 is currently outstanding as a variable rate term note. Interest on these notes was $6,528,000 and $7,985,000, respectively during fiscal 2006. We also incurred interest expense related to debt held by Cinemex of $2,110,000 during fiscal 2006.

Equity in (Earnings) Losses of Non-Consolidated Entities. Equity in losses of non-consolidated entities were $7,807,000 in the Successor period ended March 30, 2006 compared to income of $293,000 in the prior year. Current year equity in losses related to our investment in NCM were $5,478,000.

Investment Loss (Income). Investment income was $3,409,000 for the Successor period ended March 30, 2006 compared to income of $5,639,000 for the pro forma period ended March 31, 2005. Included in the pro forma period ended March 31, 2005 is an adjustment for $3,896,000 reducing interest income which would have been received if the Loews Acquisition had occurred at the beginning of the period. Interest income for the Successor period ended March 30, 2006 was $2,930,000. The prior periods interest income was higher primarily due to the escrow funds and increased cash available for investment during that period.

Income Tax Provision (Benefit). The provision for income taxes from continuing operations was $71,800,000 for the Successor period ended March 30, 2006 compared to a benefit of $6,420,000 for the pro forma period ended March 31, 2005. The provision for the Successor period ended March 30, 2006 included a charge for a full valuation allowance on all U.S. tax jurisdiction net deferred tax assets with the exception of those U.S. net deferred tax assets acquired in connection with the Loews Acquisition. The pro forma period ended March 31, 2005 includes a pro forma benefit adjustment of $11,900,000 resulting from the items described above with the Loews Acquisition. The pro forma period ended March 31, 2005 included $61,032,000 in costs associated with the Loews Acquisition which were treated as non-deductible. See note 9 to our audited consolidated financial statements included elsewhere in this prospectus.

Loss from Discontinued Operations, Net. On May 11, 2006, we sold AMC Entertainment España S.A. and Actividades Multi-Cinemeas E Espectaculos, LDA (collectively "Iberia"), including 4 theatres with 86 screens in Spain and 1 theatre with 20 screens in Portugal. At the date of the sale these operations did not meet the criteria for discontinued operations because of continuing involvement in the region through an equity method investment in Yelmo. In December 2006, we disposed of our investment in Yelmo, including 27 theatres with 310 screens in Spain, and the results of the operations in Iberia have now been classified as discontinued operations. On June 30, 2005, we sold Japan AMC Theatres, Inc., including four theatres in Japan with 63 screens, and classified its operations as discontinued operations. The information presented for all periods reflect these as discontinued operations. See note 3 to our audited consolidated financial statements included elsewhere in this prospectus for the components of the loss from discontinued operations.

Loss for Shares of Common Stock. Loss for shares of common stock was $216,223,000 and $97,450,000 for the Successor period ended March 30, 2006 and the pro forma period ended March 31, 2005, respectively.

Liquidity and Capital Resources

Our consolidated revenues are primarily collected in cash, principally through box office admissions and theatre concessions sales. We have an operating "float" which partially finances our operations and which generally permits us to maintain a smaller amount of working capital capacity. This float exists because admissions revenues are received in cash, while exhibition costs (primarily film rentals) are ordinarily paid to distributors from 20 to 45 days following receipt of box office admissions revenues. Film distributors generally release the films which they anticipate will be the most successful during the summer and holiday seasons. Consequently, we typically generate higher revenues during such periods.

Parent and Holdings are both holding companies with no operations of their own and have no ability to service interest or principal on their indebtedness or pay dividends other than through any dividends they may receive from their subsidiaries. Under certain circumstances, AMC Entertainment is restricted from paying dividends to Holdings by the terms of the indentures relating to its notes and its senior secured credit facility. In addition, our ability to pay dividends to our stockholders will be subject to the terms of Parent's indebtedness. AMC Entertainment's senior secured credit facility and note indentures contain provisions which limit the amount of dividends and advances which it may pay or make to Holdings. The maximum amount AMC Entertainment was permitted to distribute to Holdings in compliance with its senior secured credit facility and the indentures governing AMC Entertainment's debt securities, and that Holdings could therefore have distributed to us, was approximately $186.0 million as of June 28, 2007. Under the note indentures, a loan to Holdings would have to be on terms no less favorable to AMC Entertainment than could be obtained in a comparable transaction on an arm's length basis with an unaffiliated third party and be in the best interest of AMC Entertainment. Provided no event of default has occurred or would result, the senior secured credit facility also permits AMC Entertainment to pay cash dividends to Holdings for specified purposes, including indemnification claims, taxes, up to $4.0 million annually for operating expenses, repurchases of equity awards to satisfy tax withholding obligations, specified management fees, fees and expenses of permitted equity and debt offerings and to pay for the repurchase of stock from employees, directors and consultants under benefit plans up to specified amounts. Depending on the net senior secured leverage ratio, as defined in the senior secured credit facility, AMC Entertainment may also pay Holdings a portion of net cash proceeds from specified assets sales.

Although we have sustained net losses in prior periods and cannot assure you that we will be able to pay dividends on a quarterly basis or at all, we believe that a number of recent positive developments in our business have improved our ability to pay dividends in compliance with applicable state corporate law once this offering has been completed. These include: the completion of our merger with Loews, which increased the scale and cash flow of our company and generated significant synergies and cost savings going forward; the $608.9 million reduction in our outstanding carrying value of indebtedness with the proceeds we received from the NCM Transactions, as well as cash on hand, which we anticipate will reduce our annual cash interest expense by approximately $42.0 million for the 52 weeks ended June 28, 2007; and the discontinuation of $5.0 million per year management fees paid to our Sponsors as a result of this offering. Further, we expect to continue to benefit from substantial net operating loss carryovers from prior periods that will be available for offsetting taxes that we may owe. Also, because the Delaware General Corporation Law, or the DGCL, permits corporations to pay dividends either out of surplus (generally, the excess of a corporation's net assets (total assets minus total liabilities) over its stated capital, in each case as defined and calculated in the manner prescribed

by the DGCL) or net profits, we may be able to pay dividends even if we continued to report net losses in future periods.

Following this offering, and subject to legally available funds, we intend to pay quarterly cash dividends, commencing from the closing date of this offering. We expect that our first dividend will be with respect to the third quarter of fiscal 2008 and paid as soon as practicable after February 15, 2008.

On June 12, 2007 we announced that we had completed a solicitation of consents from holders of Holdings' Discount Notes due 2014, and that we had received consents for $301.9 million in aggregate principal amount at maturity of the Discount Notes due 2014, representing 99.32% of the outstanding amount. In connection with the receipt of consents, we paid an aggregate consent fee of approximately $4.4 million, representing a consent fee of $14.44 for each $1,000 in principal amount at maturity of Discount Notes due 2014 as to which consents were delivered. Accordingly, the requisite consents to adopt the proposed amendment (the "Amendment") to the indenture pursuant to which the Discount Notes due 2014 were issued were received, and a supplemental indenture to effect the Amendment was executed by Holdings and the trustee under the indenture. The Amendment revised the restricted payments covenant to permit us to make restricted payments in an aggregate amount of $275.0 million prior to making an election to pay cash interest on our Discount Notes due 2014. The Amendment also contained a covenant by us to make an election on August 15, 2007 to pay cash interest on the Discount Notes due 2014. As a result, we are required to make our first cash interest payment on the Discount Notes due 2014 on February 15, 2008. Holdings used cash on hand at AMC Entertainment to pay a dividend to Parent of $270.6 million. Parent used the proceeds from this dividend along with proceeds of $396.0 million from the issuance of the Parent Term Loan Facility to pay a $652.8 million dividend to its stockholders.

Cash Flows from Operating Activities

Cash flows provided by operating activities, as reflected in the Consolidated Statements of Cash Flows, were $72,738,000 and $95,938,000 during the thirteen weeks ended June 28, 2007 and June 29, 2006, respectively. The decrease in operating cash flows during the thirteen weeks ended June 28, 2007 is primarily due to declines in accounts payable related primarily to the timing of certain payments. We had working capital deficits as of June 28, 2007 and March 29, 2007 of $254,248,000 and $40,370,000, respectively. We have the ability to borrow against our credit facility to meet obligations as they come due (subject to limitations on the incurrence of indebtedness in our various debt instruments) and had approximately $177,631,000 and $177,500,000 available on our credit facility to meet these obligations for the periods ended June 28, 2007 and March 29, 2007, respectively.

On June 12, 2007 we entered into the Amendment, which required us to make an election on August 15, 2007 to pay cash interest on the Discount Notes due 2014. As a result, we will be required to make our first cash interest payment on the Discount Notes due 2014 on February 15, 2008. We expect that our annual cash interest payments on the Discount Notes due 2014 will be approximately $28,895,000.

During the thirteen weeks ended June 28, 2007, we closed 5 theatres with 60 screens in the United States and opened 3 new theatres with 46 screens in the United States, resulting in a circuit total of 377 theatres and 5,300 screens.

Cash flows provided by (used in) operating activities, as reflected in the Consolidated Statements of Cash Flows, were $417,870,000, $25,694,000, $(45,364,000) and $145,364,000 during the Successor periods ended March 29, 2007, March 30, 2006, March 31, 2005 and the Predecessor period ended December 23, 2004, respectively. The increase in operating cash flows during the year ended March 29, 2007 is primarily due to an increase in deferred revenues of $231,308,000 for the proceeds we received related to modification payments to our ESA with National CineMedia, LLC, increases in attendance and improvement in operating results, including amounts relating to the Loews Acquisition. We

received litigation settlement checks related to fireproofing claims totaling $13,130,000 during the year ended March 29, 2007. The decrease in cash provided by operating activities for the Successor period ended March 30, 2006 compared with the pro forma period for the prior year is primarily due to declines in attendance and the timing of payments for accrued expenses and other liabilities. The cash used in operating activities for the Successor period ended March 31, 2005 was primarily due to payments of $37,061,000 in transaction costs related to the Loews Acquisition.

We had a working capital (deficit) as of March 29, 2007 and March 30, 2006 of $(40,370,000) and $(137,872,000), respectively. We have the ability to borrow against our credit facility to meet obligations as they come due (subject to limitations on the incurrence of indebtedness in our various debt instruments) and had approximately $177,500,000 and $90,000,000 available on our credit facility to meet these obligations for the periods ended March 29, 2007 and March 30, 2006, respectively.

Cash Flows from Investing Activities

We fund the costs of constructing new theatres through existing cash balances, cash generated from operations or borrowed funds, as necessary. We generally lease our theatres pursuant to long-term non-cancelable operating leases which may require the developer, who owns the property, to reimburse us for the construction costs. We may decide to own the real estate assets of new theatres and, following construction, sell and leaseback the real estate assets pursuant to long-term non-cancelable operating leases. During fiscal 2006, we sold and leased back two theatres with 32 screens. We may also decide to sell certain real estate assets that we currently own where the value of the real estate may be greater than the value generated by our theatre operations.

Historically, we have either paid for or leased the equipment used in a theatre. We may purchase leased equipment from lessors if prevailing market conditions are favorable. During the Successor period ended March 31, 2005 we purchased certain leased furniture, fixtures and equipment at two theatres for $25,292,000.

Cash provided by investing activities, as reflected in the Consolidated Statement of Cash Flows were $283,969,000, $107,538,000, $(1,260,301,000) and $(692,395,000) during the Successor periods ended March 29, 2007, March 30, 2006, March 31, 2005 and Predecessor period ended December 23, 2004, respectively. As of March 29, 2007, we had construction in progress of $29,147,000. We had 9 U.S. theatres with a total of 118 screens under construction on March 29, 2007 that we expect to open in fiscal 2008. Cash outflows from investing activities include capital expenditures of $138,739,000 during the year ended March 29, 2007. We expect that our gross capital expenditures in fiscal 2008 will be between $150.0 million and $160.0 million.

During fiscal 1998, we sold the real estate assets associated with 13 theatres to Entertainment Properties Trust ("EPT") for an aggregate purchase price of $283,800,000 (the "Sale and Lease Back Transaction"). We leased the real estate assets associated with the theatres from EPT pursuant to non-cancelable operating leases with terms ranging from 13 to 15 years at an initial lease rate of 10.5% with options to extend for up to an additional 20 years. The leases are triple net leases that require us to pay substantially all expenses associated with the operation of the theatres, such as taxes and other governmental charges, insurance, utilities, service, maintenance and any ground lease payments. During fiscal 2000, we sold the building and improvements associated with one of our theatres to EPT for proceeds of $17,600,000 under terms similar to the above Sale and Leaseback Transaction. During fiscal 2002, we sold the land at this theatre to EPT for proceeds of $7,486,000 under terms similar to the above Sale and Leaseback Transaction and at an initial lease rate of 10.75%. During fiscal 2003, we sold the real estate assets associated with 2 theatres to EPT for proceeds of $43,665,000 and then leased the real estate assets associated with these theatres pursuant to non-cancelable operating leases with terms of 20 years at an initial lease rate of 11% with options to extend for up to an additional 15 years. On March 30, 2004, we sold the real estate assets associated with 3 theatres to EPT for

proceeds of $63,911,000 and then leased the real estate assets associated with these theatres pursuant to non-cancelable operating leases with terms of 20 years at an initial lease rate of 9.5% with options to extend for up to 15 additional years. On March 31, 2005, we sold the real estate assets associated with one theatre and adjoining retail space to EPT for proceeds of $50,910,000 and then leased the real estate assets associated with the theatre pursuant to a non-cancelable operating lease with terms of 20 years at an initial lease rate of 9.24% with options to extend for up to 14 additional years. On March 30, 2006, we sold the real estate assets associated with two theatres to EPT for proceeds of $35,010,000 and then leased the real estate assets associated with the theatres pursuant to a non-cancelable operating lease with terms of approximately 15 and 17 years at an initial lease rate of 9.25% with options to extend each for up to 15 additional years.

In connection with our acquisition of Gulf States Theatres on March 15, 2002, we entered into leases of the real estate assets associated with the five theatres with Entertainment Properties Trust for a term of 20 years with an initial annual base rent of $7,200,000. Of the $45,000,000 purchase price, $5,800,000 was paid to Entertainment Properties Trust for specified non-real estate assets which Entertainment Properties Trust acquired from Gulf States Theatres and resold to us at cost. We have paid $300,000 annually since the date of acquisition in connection with consulting and non-competition agreements related to the acquisition. Our last payment is due in March 2007.

On March 29, 2002, we acquired GC Companies pursuant to a stock purchase agreement and a plan of reorganization that was confirmed by the bankruptcy court on March 18, 2002. Our purchase price of $168,931,000 (net of $6.5 million from the sale of GC Companies' portfolio of venture capital investments on the effective date) included anticipated cash payments of $68,472,000, the issuance of $72,880,000 aggregate principal amount of the Notes due 2011 with a fair value of $71,787,000 and the issuance of 2,578,581 shares of AMC Entertainment common stock with an aggregate fair value of $35,172,000 based on a fair value of $13.64 per share (the closing price per share on the effective date of the plan). We used available cash for the cash payments under the plan of reorganization.

The final purchase price for GC Companies was not determinable until all creditor claims disputed by the GC Companies post-confirmation unsecured creditors committee were consensually resolved or determined by the bankruptcy court. The GC Companies bankruptcy case was closed on May 26, 2004. Through March 31, 2005, we had issued $72,880,000 aggregate principal amount of the Notes due 2011 and 2,430,433 shares of AMC Entertainment common stock and paid approximately $66,118,000 in cash to creditors of GC Companies.

On December 23, 2004, AMC Entertainment completed the merger with Marquee. Pursuant to the terms of the merger agreement, each issued and outstanding share of AMC Entertainment's common stock and Class B stock was converted into the right to receive $19.50 in cash and each issued and outstanding share of preferred stock was converted into the right to receive $2,727.27 in cash. The total amount of consideration paid in the merger with Marquee was $1,665,200,000. Holdings used the net proceeds from the sale of our notes (as described below), together with our existing cash balances and the proceeds from the equity contribution from Holdings (consisting of equity contributed by the Marquee Sponsors, the co-investors and certain members of management and the net proceeds of an offering of Holdings' notes), to finance the merger with Marquee.

On June 30, 2005, we disposed of Japan AMC Theatres, Inc., including four of our five theatres in Japan, for a cash sales price of $44,861,000 and on September 1, 2005, sold our remaining Japan theatre for a sales price of $8,595,000.

Cash flows for the Successor period ended March 30, 2006 include cash acquired from the Loews Acquisition of $142,512,000, proceeds from the sale leaseback of two theatres of $35,010,000 and proceeds from the sale of the Japan theatres of $53,456,000, partially offset by capital expenditures of $117,668,000. The cash acquired from the Loews Acquisition represented the cash held by Loews at the date of the Loews Acquisition. The Loews Acquisition was non-cash, funded by the issuance of our

common stock. Cash outflows for investing activities include a payment to common and preferred stockholders net of cash acquired of $1,268,564,000 related to the Loews Acquisition for the Successor period ended March 31, 2005 and an increase of $627,338,000 in restricted cash related to investment of the proceeds from the Senior Notes issued in order to finance the Loews Acquisition during the Predecessor period ended December 23, 2004 and capital expenditures of $18,622,000 and $66,155,000 during the Successor period ended March 31, 2005 and Predecessor period ended December 23, 2004, respectively.

In May 2006, AMCEI and its subsidiary AMC Entertainment International Limited sold its interests in AMC Entertainment España S.A., which owned and operated 4 theatres with 86 screens in Spain, and Actividades Multi-Cinemas E Espectáculos, LDA, which owned and operated 1 theatre with 20 screens in Portugal for a net sales price of approximately $35,446,000.

In December 2006, we disposed of our investment in Yelmo which owned and operated 27 theatres and 310 screens in Spain as of the date sold for proceeds of $52,137,000.

During the fifty-two weeks ended March 29, 2007, we sold six theatres with 68 screens, exchanged two theatres with 32 screens, and closed one theatre with six screens in the United States as required by and in connection with the approval of the Loews Acquisition for an aggregate sales price of $64,302,000.

In March 2007, the board of directors of Fandango, Inc. ("Fandango"), an online movie ticketing company in which we owned approximately 8.4% of the outstanding common stock on an as converted basis as of March 29, 2007, approved an Agreement and Plan of Merger (the "Fandango Merger Agreement"), which was adopted and approved by its stockholders. Pursuant to the Fandango Merger Agreement, we and the other existing stockholders sold our interests in Fandango to Comcast Corporation. The transaction closed in May 2007. In connection with the transaction, we received an equity earn up which raised our interest in Fandango to approximately 10.4% of the outstanding common stock on an as converted basis immediately prior to the sale of our shares. Pursuant to the terms of the Fandango Merger Agreement and subject to certain closing adjustments, we estimate that we will receive a total of approximately $20.0 million in cash consideration in connection with the sale of our interest in Fandango of which $17,744,000 was received during the thirteen weeks ended June 28, 2007.

On February 13, 2007, NCM, Inc. completed its initial public offering. Net proceeds from the NCM, Inc. IPO were used to acquire newly issued equity interest from NCM, and NCM distributed the net proceeds to each of AMC, Cinemark and Regal on a pro rata basis in connection with modifying payment obligations for access to our theatres pursuant to the Exhibitor Services Agreement. We also sold common units in NCM to NCM, Inc. in connection with the exercise of the underwriters' option to purchase additional shares. In connection with the completion of the NCM, Inc. IPO, NCM entered into a $725 million term loan facility the net proceeds of which were used to redeem preferred units held by each of AMC, Cinemark and Regal on a pro rata basis pursuant to a recapitalization of NCM. AMC received net proceeds upon completion of such transactions of $517,122,000. We recorded $285,814,000 of the proceeds received from the NCM, Inc. IPO to first reduce our recorded equity method investment to $0 and second to reflect the remaining proceeds as equity in earnings of non-consolidated entities. We used the proceeds from these transactions, together with cash on hand, to redeem the Notes due 2011, the Floating Notes due 2010 and the Notes due 2012.

In connection with the completion of the NCM, Inc. IPO, AMC amended and restated its ESA with NCM whereby in exchange for our pro rata share of the NCM, Inc. IPO proceeds, AMC agreed to a modification of NCM's payment obligation under the prior ESA. The modification extended the term of the ESA to 30 years, provided NCM with a five year right of first refusal beginning one year prior to the end of the term and changed the basis upon which AMC is paid by NCM from a percentage of revenues associated with advertising contracts entered into by NCM to a monthly theatre

access fee. The theatre access fee would be composed of a fixed payment per patron and a fixed payment per digital screen, which would increase by 8% every five years starting at the end of fiscal 2011 for payments per patron and by 5% annually starting at the end of fiscal 2007 for payments per digital screen. Additionally, AMC entered into the Loews Screen Integration Agreement with NCM pursuant to which AMC will pay NCM an amount that approximates the EBITDA that NCM would generate if it were able to sell advertising in the Loews theatre chain on an exclusive basis commencing upon the completion of the NCM, Inc. IPO, and NCM issued to AMC common membership units in NCM increasing its ownership interest to approximately 33.7%; such Loews payments will be made quarterly until May 2008 and are estimated to total approximately $16 million in the aggregate. Also, with respect to any on-screen advertising time provided to our beverage concessionaire, AMC would be required to purchase such time from NCM at a negotiated rate. In addition, after completion of the NCM, Inc. IPO, AMC expects to receive mandatory quarterly distributions of excess cash from NCM.

Cash flows for the Successor period ended March 29, 2007 include proceeds from the NCM distribution of $285,814,000, proceeds from the sale of our theatres in Spain and Portugal of $35,446,000 and proceeds from our disposition of Yelmo and of U.S. theatres as required by and in connection with the Loews Acquisition of $116,439,000.

We currently own 17,474,890 units or an 18.6% interest in NCM accounted for using the equity method of accounting. As of June 28, 2007, the fair market value of the shares in National Cinemedia LLC was approximately $492 million based on a closing price for shares of NCM, Inc. on June 28, 2007 of $28.17 per share. Because we have no tax basis in these units and because the sale of our entire interest in these units would also accelerate additional taxable income of $138 million which was previously deferred, we anticipate any sales of these units would be made over time to allow us to utilize available net operating loss carryforwards which are subject to annual limitations on their use.

Cash provided by (used in) investing activities, as reflected in the Consolidated Statements of Cash Flows were ($35,848,000) and $28,828,000, during the thirteen weeks ended June 28, 2007 and June 29, 2006, respectively. As of June 28, 2007, we had construction in progress of $21,725,000. We had 6 theatres in the United States and Canada with a total of 90 screens under construction on June 28, 2007 that we expect to open in fiscal 2008. Cash outflows from investing activities include capital expenditures of $33,894,000 and $32,843,000 during the thirteen weeks ended June 28, 2007 and June 29, 2006, respectively. We expect that our gross capital expenditures in fiscal 2008 will be between 150.0 million and $160.0 million.

During the thirteen weeks ended June 29, 2006, we sold four theatres with 42 screens in the United States as required by and in connection with the approval of the Loews Acquisition for an aggregate sales price of $30,667,000.

On July 5, 2007, we disposed of our investment in HGCSA, a partnership that operated 17 theatres in South America, for sales proceeds of $28,282,000.

Cash Flows from Financing Activities

Cash flows used in financing activities, as reflected in the Consolidated Statement of Cash Flows, were ($261,638,000) and $(14,181,000) during the thirteen weeks ended June 28, 2007 and June 29, 2006, respectively.

During the thirteen weeks ended June 28, 2007 we paid a dividend of $652,800,000 to our stockholders, paid $10,430,000 in deferred financing costs related to Parent's Term Loan Facility and paid $4,360,000 in deferred financing costs related to a consent solicitation from holders of our Discount Notes. We received proceeds of $396,000,000 from the issuance of the Parent Term Loan Facility during the thirteen weeks ended June 28, 2007.

Cash flows provided by (used in) financing activities, as reflected in the Consolidated Statement of Cash Flows, were ($611,131,000) $21,434,000, $1,376,763,000 and $611,034,000 during the Successor periods ended March 29, 2007, March 30, 2006, March 31, 2005 and the Predecessor period ended December 23, 2004 respectively. During fiscal 2007 we made principal payments of $592,811,000 to redeem our debt. We used the net proceeds included in investing activities from the NCM, Inc. IPO of $517,122,000, along with cash on hand, to redeem the Notes due 2011, the Floating Notes due 2010 and the Notes due 2012. On March 19, 2007 we redeemed $212,811,000 aggregate principal amount of the Notes due 2011 at 100% of principal value, on March 23, 2007 we redeemed $205,000,000 aggregate principal amount of the Floating Notes due 2010 at 103% of principal value and on March 23, 2007 we redeemed $175.0 million aggregate principal amount of the Notes due 2012 at 104.938% of principal value. Our loss on redemption of these notes including call premiums and the write off of unamortized deferred charges and premiums was $3,488,000. Cash flows from financing activities for the Successor period ended March 30, 2006 primarily include proceeds of $325,000,000 from the issuance of the Notes due 2016 and $650,000,000 from the Term Loan B which were used to repurchase $939,363,000 of debt, as well as $24,895,000 paid for financing costs which will be deferred and amortized over the life of the debt. On September 29, 2005 we received $6,661,000 additional construction allowance from our landlord Entertainment Properties Trust related to three of our Canada theatres which allowed for sale leaseback accounting at these locations and reduced our financing lease obligations by approximately $31,292,000, reduced the net book value of building assets related to these locations by approximately $15,839,000 and resulted in a deferred gain of $22,114,000. The deferred gain is amortized as a reduction of rent expense over the remaining terms of the leases. Cash flows from financing activities for the Successor period ended March 31, 2005 include proceeds from Holdings' issuance of common stock of $769,350,000, proceeds of $169,918,000 related to the Holdings' issuance of the Discount Notes due 2014 and proceeds of $455,000,000 related to the issuance of Fixed Notes due 2012 and the Floating Notes due 2010. Cash flows from financing activities for the Predecessor period ended December 23, 2004, include proceeds related to the issuance of notes of $624,918,000 to finalize the merger with Marquee, which includes gross proceeds of $169,918,000 from the Discount Notes due 2014.

Concurrently with the closing of the merger of Loews with AMC Entertainment, we entered into the following financing transactions: (1) our new senior secured credit facility, consisting of a $650.0 million term loan facility and a $200.0 million revolving credit facility; (2) the issuance by AMC Entertainment of $325.0 million in aggregate principal amount of the Notes due 2016; (3) the termination of AMC Entertainment's existing senior secured credit facility, under which no amounts were outstanding, and the repayment of all outstanding amounts under Loews' existing senior secured credit facility and the termination of all commitments thereunder; and (4) the completion of the tender offer and consent solicitation for all $315.0 million aggregate principal amount of Loews' 9.0% senior subordinated notes due 2014.

As a result of the Loews Acquisition, AMC Entertainment became the obligor of $250,000,000 in aggregate principal amount of Fixed Notes due 2012 and $205,000,000 in aggregate principal amount of Floating Notes due 2010 that were previously issued by Marquee Inc. on August 18, 2004. AMC Entertainment redeemed the Floating Notes due 2010 on March 23, 2007 with proceeds from the NCM transactions and cash on hand.

In connection with the Marquee Transactions, Holdings issued $304,000,000 principal amount at maturity of our Discount Notes due 2014 for gross proceeds of $169,917,760. The only operations of Holdings prior to the merger with Marquee were related to this financing. Because AMC Entertainment was the primary beneficiary of Holdings, which was considered a variable interest entity as defined in FIN 46(R), *Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51*, the Predecessor was required to consolidate Holdings' operations and financial position into its financial statements as of and through the period ended December 23, 2004. The results of operations of

Holdings included within the Predecessor's Consolidated Statements of Operations for the period from April 2, 2004 through December 23, 2004 include interest expense of $7,135,000 and interest income of $831,000.

Concurrently with the consummation of the merger with Marquee, AMC Entertainment entered into an amendment to its credit facility. We refer to this amended credit facility as the "amended credit facility." The amended credit facility modified a previous Second Amended and Restated Credit Agreement dated as of March 26, 2004, which was superseded in connection with the execution of the "amended credit facility," which was scheduled to mature on April 9, 2009. The amended credit facility was replaced with our current senior secured credit facility on January 26, 2006.

On February 24, 2004, AMC Entertainment sold $300,000,000 aggregate principal amount of 8% Senior Subordinated Notes due 2014 (the "Notes due 2014"). We used the net proceeds (approximately $294,000,000) to redeem our Notes due 2009 and a portion of the Notes due 2011. The Notes due 2014 bear interest at the rate of 8% per annum, payable in March and September. The Notes due 2014 are redeemable at our option, in whole or in part, at any time on or after March 1, 2009 at 104.000% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after March 1, 2012, plus in each case interest accrued to the redemption date. The Notes due 2014 are unsecured and are subordinated to all of AMC Entertainment's existing and future senior indebtedness (as defined in the indenture governing the Notes due 2014). The Notes due 2014 rank equally with AMC Entertainment's Notes due 2016.

On January 16, 2002, AMC Entertainment sold $175,000,000 aggregate principal amount of the Notes due 2012. Net proceeds from the issuance of the Notes due 2012 (approximately $168,000,000) were used to reduce borrowings under our credit facility, to pursue our current business strategy, including the acquisition of GC Companies, and for general corporate purposes. AMC Entertainment redeemed the Notes due 2012 with proceeds from the NCM transactions and cash on hand.

On January 27, 1999, AMC Entertainment sold $225,000,000 aggregate principal amount of the Notes due 2011. Net proceeds from the issuance of the Notes due 2011 (approximately $219,000,000) were used to reduce borrowings under our credit facility. On March 29, 2002, AMC Entertainment issued an additional $72,880,000 aggregate principal amount of Notes due 2011 (with a fair value of $71,787,000) as part of our acquisition of GC Companies, Inc. On March 25, 2004, we redeemed $83,406,000 of the Notes due 2011 for $87,367,000. A loss of $5,357,000 was recognized in connection with the redemption including a call premium of $3,962,000, unamortized issue costs of $1,125,000 and unamortized discount of $270,000. The loss is included within other expense on the Consolidated Statements of Operations. AMC Entertainment redeemed the Notes due 2011 on March 19, 2007 with the proceeds from the NCM transactions and cash on hand.

The merger with Marquee constituted a "change of control" under the Notes due 2011 in the aggregate principal amount of $214,474,000, which allowed the holders of those notes to require AMC Entertainment to repurchase their notes at 101% of their aggregate principal amount plus accrued and unpaid interest to the date of purchase. We commenced this change of control offer on January 11, 2005, and bondholders tendered $1,663,000 of the Notes due 2011, which were repurchased using existing cash in February 2005. On March 19, 1997, AMC Entertainment sold $200,000,000 aggregate principal amount of our Notes due 2009. We used the net proceeds from the issuance of the Notes due 2009 (approximately $194,000,000) to reduce borrowings under our credit facility. The Notes due 2009 were redeemed on March 25, 2004 for $204,750,000. A loss on redemption of $8,590,000 was recognized in connection with the redemption including a call premium of $4,750,000, unamortized issue costs of $3,291,000 and unamortized discount of $549,000. The loss is included within other expense on the Consolidated Statements of Operations.

On January 26, 2006, AMC Entertainment sold $325,000,000 aggregate principal amount of the Notes due 2016. Net proceeds from the issuance of the Notes due 2016 were used to fund a portion of

the Loews Dispositions and to pay related fees and expenses. The Notes due 2016 bear interest at the rate of 11% per annum, payable February 1 and August 1 of each year. The Notes due 2016 are redeemable at our option, in whole or in part, at any time on or after February 1, 2011 at 105.5% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after February 1, 2014, plus in each case interest accrued to the redemption date. The Notes due 2016 are unsecured and are subordinated to all of AMC Entertainment's existing and future senior indebtedness (as defined in the indenture governing the Notes due 2016). The Notes due 2016 rank equally with its Notes due 2014.

The indentures relating to our notes allow us to incur all permitted indebtedness (as defined therein) without restriction, which includes all amounts borrowed under our credit facility. The indentures also allow us to incur any amount of additional debt as long as we can satisfy the coverage ratio of each indenture after giving effect thereto on a pro forma basis. Under the indentures relating to the Discount Notes due 2014, the most restrictive of the indentures, we could borrow approximately 1,309.1 million in addition to permitted indebtedness (assuming an interest rate of 9% per annum on the additional borrowings) as of March 29, 2007 and March 30, 2006, respectively. If we cannot satisfy the coverage ratios of the indentures, generally we can incur, in addition to amounts borrowed under the credit facility, no more than $100.0 million of new "permitted indebtedness" under the terms of the indentures relating to the Notes due 2014, Notes due 2016 and Discount Notes due 2014.

The indentures relating to the above-described notes also contain covenants limiting dividends, purchases or redemptions of stock, transactions with affiliates, and mergers and sales of assets, and require us to make an offer to purchase the notes upon the occurrence of a change in control, as defined in the indentures. Upon a change of control (as defined in the indentures), we would be required to make an offer to repurchase all of the outstanding notes at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest to the date of repurchase.

As of June 28, 2007, we were in compliance with all financial covenants relating to our senior secured credit facility, the Cinemex Credit Facility, the Notes due 2016, Notes due 2014, the Fixed Notes due 2012, and the Discount Notes.

Parent Term Loan Facility

To help finance the dividend paid by us to our stockholders discussed in note 6 to our unaudited consolidated financial statements included elsewhere in this prospectus, we entered into the Parent Term Loan Facility for net proceeds of $396,000,000. The interest rate on borrowings under the Parent Term Loan Facility was 10.36% per annum as of June 28, 2007. Unpaid principal and interest on outstanding loans under the Parent Term Loan Facility are required to be repaid upon maturity on June 13, 2012. We expect to repay all amounts outstanding under the Parent Term Loan Facility with the proceeds of this offering.

We may voluntarily repay outstanding loans under the Parent Term Loan Facility, in whole or in part, together with accrued interest to the date of such prepayment on the principal amount prepaid at any time on or before June 13, 2008 at 100% of principal, at any time after June 13, 2008 and on or prior to June 13, 2009 at 102% of principal, at any time after June 13, 2009 and on or prior to June 13, 2010 at 101% of principal and at 100% of principal par value thereafter.

Senior Secured Credit Facility

Our senior secured credit facility is with a syndicate of banks and other financial institutions and provides AMC Entertainment financing of up to $850.0 million, consisting of a $650.0 million term loan facility with a maturity of seven years and a $200.0 million revolving credit facility with a maturity of six years. The revolving credit facility will include borrowing capacity available for Mexican peso-denominated revolving loans, for letters of credit and for swingline borrowings on same-day

notice. The Company's ability to borrow against the revolving credit facility is limited to approximately $177.6 million as of June 28, 2007 due to restrictions imposed by our various debt agreements.

Borrowings under our senior secured credit facility bear interest at a rate equal to an applicable margin plus, at our option, either a base rate or LIBOR. On March 13, 2007, we amended our senior secured credit facility to, among other things, lower the interest rates related to our term loan, reduce our unused commitment fee and amend the change of control definition so that this offering and the related transactions will not constitute a change of control. The current applicable margin for borrowings under the revolving credit facility is 0.75% with respect to base rate borrowings and 1.75% with respect to LIBOR borrowings, and the current applicable margin for borrowings under the term loan facility is 0.75% with respect to base rate borrowings and 1.75% with respect to LIBOR borrowings. The applicable margin for such borrowings may be reduced, subject to AMC Entertainment attaining certain leverage ratios. In addition to paying interest on outstanding principal under our senior secured credit facility, AMC Entertainment is required to pay a commitment fee to the lenders under the revolving credit facility in respect of the unutilized commitments thereunder at a rate equal to 0.25%. It will also pay customary letter of credit fees. AMC Entertainment may voluntarily repay outstanding loans under our senior secured credit facility at any time without premium or penalty, other than customary "breakage" costs with respect to LIBOR loans. AMC Entertainment is required to repay $1,625,000 of the term loan quarterly, beginning March 30, 2006 through September 30, 2012, with any remaining balance due on January 26, 2013.

All obligations under our senior secured credit facility are guaranteed by each of AMC Entertainment's wholly-owned domestic subsidiaries. All obligations under our senior secured credit facility, and the guarantees of those obligations (as well as cash management obligations and any interest hedging or other swap agreements), are secured by substantially all of AMC Entertainment's assets as well as those of each subsidiary guarantor.

Our senior secured credit facility contains a number of covenants that, among other things, restrict, subject to certain exceptions, AMC Entertainment's ability, and the ability of its subsidiaries, to sell assets; incur additional indebtedness; prepay other indebtedness (including the notes); pay dividends and distributions or repurchase their capital stock; create liens on assets; make investments; make certain acquisitions; engage in mergers or consolidations; engage in certain transactions with affiliates; amend certain charter documents and material agreements governing subordinated indebtedness, including the Existing Subordinated Notes; change the business conducted by it and its subsidiaries; and enter into agreements that restrict dividends from subsidiaries.

In addition, our senior secured credit facility requires, commencing with the fiscal quarter ended September 28, 2006, that AMC Entertainment and its subsidiaries maintain a maximum net senior secured leverage ratio as long as the commitments under the revolving credit facility remain outstanding. Our senior secured credit facility also contains certain customary affirmative covenants and events of default.

As a result of the completion on February 13, 2007 of the NCM, Inc. initial public offering, we received proceeds of $517.1 million. Such proceeds along with cash on hand was used for the redemption of the Notes due 2011, the Notes due 2012 and the Floating Notes due 2010. The redemption of the subordinated notes constituted restricted payments under our senior secured credit facility. Because our current restricted payment basket amount, after giving pro forma effect for an increase resulting from the NCM transaction, would have been insufficient to accommodate this debt repayment, we amended our senior secured credit facility on February 14, 2007 to allow for up to $600 million in subordinated debt repayments to be carved out of the restricted payments basket. This carve out was available for redemptions/repayments through April 30, 2007.

Cinemex Credit Facility

In August 2004, Cadena Mexicana de Exhibición S.A. de C.V., a wholly-owned subsidiary of Cinemex and an indirect wholly-owned subsidiary of Loews, entered into a senior secured credit facility, which remains in place after the consummation of the Loews Acquisition. The initial amount drawn under the Cinemex senior secured credit facility was 1,026.4 million Mexican pesos (approximately $90.0 million as of August 16, 2004). Cinemex drew 106.3 million Mexican pesos (approximately $10.0 million in August 2005) under the delayed draw feature of its senior secured credit facility. Approximately $102.7 million was outstanding under the senior secured credit facility as of March 29, 2007. In December 2005, Cadena Mexicana entered into an amended and restated senior secured revolving credit facility which provides for an available revolving credit line of the peso equivalent of $25.0 million with Banco Inbursa, S.A. and Scotiabank Inverlat, S.A. (the revolving credit facility is peso-denominated debt). During January and February of 2006 Cinemex drew 105.4 million Mexican pesos under the revolving credit facility (approximately $12.1 million was outstanding as of March 29, 2007). All obligations of Cadena Mexicana under the Cinemex senior secured credit facility and revolving credit facility are guaranteed by Cinemex and each existing and future operating subsidiary of Cadena Mexicana, except for specified excluded subsidiaries.

The Cinemex borrowings are non-recourse to Loews, and thus, are non-recourse to AMC Entertainment. Interest on the Cinemex term loan is payable in arrears on a monthly basis at the Interbank Equilibrium Interest Rate (Tasa de Interes Interbancaria de Equilibrio) for a period of 28 days (the TIIE rate), plus an applicable margin of 1.50% in years one and two, 1.75% in year three and 2.00% in years four and five. The interest rate on the Cinemex term loan as of March 29, 2007 was 7.45%. This rate was adjusted to 8.5% on approximately $40.8 million of the Cinemex borrowings by an interest rate swap entered into on July 28, 2003 and was redesignated as a hedge of the Cinemex senior secured credit facility on August 16, 2004. The interest rate on the remaining approximately $61.9 million of the Cinemex borrowings was adjusted to 9.89% by an interest rate swap entered into on August 5, 2005.

In December 2006, Cinemex amended its senior secured revolving credit facility to extend it for an additional year, now maturing December 19, 2007. In December 2006, Cinemex also modified the terms of its senior secured credit facility term loan. The Cinemex term loan will mature on August 16, 2011 and will amortize beginning on February 16, 2009 in installments ranging from 10% to 30% of the principal balance per annum over the five-year period. Additionally, the applicable margin for the rate of interest has been modified to be based on a ratio of Net Debt to EBITDA. The applicable margin will now be 200 basis points for a ratio of 2.50 times to 3.00 times, 175 basis points for a ratio of 2.01 times to 2.50 times, 150 basis points for a ratio of 1.51 times to 2.00 times and 125 basis points for a ratio at or below 1.50 times.

The Cinemex senior secured credit facilities contain customary affirmative and negative covenants with respect to Cadena Mexicana and each of the guarantors and, in certain instances, Cadena Mexicana's subsidiaries that are not guarantors, as defined in the credit agreement. Affirmative covenants include the requirement to furnish periodic financial statements and ensure that the obligations of Cadena Mexicana and the guarantors under the Cinemex senior secured credit facilities rank at least *pari passu* with all existing debt of such parties. Negative covenants include limitations on disposition of assets, capital expenditures, dividends and additional indebtedness and liens. The senior secured credit facilities also include certain financial covenants, including, without limitation, a maximum total leverage ratio, a maximum total net debt to equity ratio, a minimum interest coverage ratio, a maximum true-lease adjusted leverage ratio and a minimum consolidated net worth requirement.

Commitments and Contingencies

Minimum annual cash payments required under existing capital and financing lease obligations, maturities of corporate borrowings, future minimum rental payments under existing operating leases, FF&E and leasehold purchase provisions, ADA related betterments and pension funding that have initial or remaining non-cancelable terms in excess of one year as of March 29, 2007 are as follows:

(In thousands)	Minimum Capital and Financing Lease Payments	Principal Amount of Corporate Borrowings(1)	Interest Payments on Corporate Borrowings(2)	Minimum Operating Lease Payments	Capital Related Betterments(3)	Pension Funding(4)	Total Commitments(6)
2008	$ 9,088	$ 20,811	$ 137,292	$ 403,713	$ 91,120	$ 3,000	$ 665,024
2009	8,724	16,768	135,795	413,948	17,250		592,485
2010	8,681	32,170	152,631	410,965			604,447
2011	8,732	42,438	168,049	401,832			621,051
2012	7,081	37,303	162,749	388,793			595,926
Thereafter	61,989	1,790,000	320,122	2,965,585			5,137,696
Total	$ 104,295	$ 1,939,490	$ 1,076,638	$ 4,984,836	$ 108,370	$ 3,000	$ 8,216,629(5)

(1) Represents cash requirements for the payment of principal on corporate borrowings. Total amount does not equal carrying amount due to unamortized discounts or premiums on issuance. This table excludes the Parent Term Loan Facility which is expected to be repaid in connection with this offering.

(2) Interest expense on the term loan was estimated at 7.07% based upon the published LIBOR at April 27, 2007. Cash interest on the Discount Notes due 2014 will be paid semi-annually beginning February 15, 2008.

(3) Includes committed capital expenditures including the estimated cost of ADA related betterments. Does not include planned, but non-committed capital expenditures.

(4) Historically we fund our pension plan such that the plan is 90% funded. The plan has been frozen effective December 31, 2006. The funding requirement has been estimated based upon our expected funding amount. The retiree health plan is not funded.

(5) As noted below under " Change of Control Offers," the offering will constitute a "change of control" under the indentures governing the Discount Notes, the Notes due 2016 and the Fixed Notes due 2012. Holdings and AMC Entertainment will be required to make change of control offers to purchase these notes after completion of the offering at a price of 101% of the aggregate principal amount thereof plus, without duplication, accrued and unpaid interest to the date of repurchase. In the above table, we have reflected the principal amount and interest on these notes consistent with their respective stated maturity and we have not included the $8.1 million of change of control premium payment that we would be required to pay if the holders of all three series of notes elected to accept the change of control offer.

(6) As discussed in the historical financial statements for the period ended June 28, 2007, included in this prospectus, Parent adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes an interpretation of FASB No. 109." At March 30, 2007, Parent had a liability for unrecognized benefits of $44.1 million, of which approximately $5.3 million is expected to be offset from Parent's pool of net operating loss carryforwards within the next 12 months. For the remaining liability, Parent is unable to reasonably determine when settlement with the taxing authorities will occur.

Fee Agreement

In connection with the Parent Transactions, on June 11, 2007, Parent, Holdings, AMC Entertainment and the Sponsors entered into a Fee Agreement (the "Management Fee Agreement"), which replaced the December 23, 2004 fee agreement among Holdings, AMC Entertainment and the Marquee Sponsors as amended and restated on January 26, 2006 (the "Original Fee Agreement"). The Management Fee Agreement provides for an annual management fee of $5.0 million, payable quarterly and in advance to each Sponsor, on a pro rata basis, until the twelfth anniversary from December 23,

2004, as well as reimbursements for each Sponsor's respective out-of-pocket expenses in connection with the management services provided under the Management Fee Agreement.

In addition, the Management Fee Agreement provides for reimbursements by AMC Entertainment to the Sponsors for their out-of-pocket expenses, and by AMC Entertainment to Parent of up to $3.5 million for fees payable by Parent in any single fiscal year in order to maintain Parent and AMC Entertainment's corporate existence, corporate overhead expenses and salaries or other compensation of certain employees.

Upon the consummation of a change in control transaction or an IPO, the Sponsors will receive, in lieu of quarterly payments of the annual management fee, an automatic fee equal to the net present value of the aggregate annual management fee that would have been payable to the Sponsors during the remainder of the term of the fee agreement (assuming a twelve year term from the date of the original fee agreement), calculated using the treasury rate having a final maturity date that is closest to the twelfth anniversary of the date of the original fee agreement date. As of June 28, 2007, we estimate this amount would be $38.7 million.

The Management Fee Agreement also provides that AMC Entertainment will indemnify the Sponsors against all losses, claims, damages and liabilities arising in connection with the management services provided by the Sponsors under the fee agreement.

Change of Control Offers

In connection with the offering, the Sponsors and certain other existing stockholders of Parent intend to enter into a new voting arrangement, effective upon the closing of the offering, which is described in more detail under "Certain Relationships and Related Party Transactions Governance Agreements." As a result of these new voting arrangements, the offering will constitute a "change of control" under the indentures governing the Discount Notes due 2014, the Notes due 2016 and the Fixed Notes due 2012 and Holdings and AMC Entertainment will be required to make change of control offers to purchase these notes after completion of the offering at a price of 101% of the aggregate principal amount thereof plus, without duplication, accrued and unpaid interest to the date of repurchase. If the change of control offers had taken place on June 28, 2007, and all of the holders had accepted the offers, we would have been required to pay $239.6 million with respect to our Discount Notes due 2014 (representing $237.3 million aggregate principal amount and a $2.4 million change of control premium payment), $328.3 million with respect to our Notes due 2016 (representing $325.0 million aggregate principal amount and a $3.3 million change of control premium payment) and $252.5 million with respect to our Fixed Notes due 2012 (representing $250.0 million aggregate principal amount and a $2.5 million change of control premium payment). To the extent that such holders accept the offers, Holdings and AMC Entertainment anticipate that they would raise the amounts needed to fund the offers with cash on hand, available lines of credit or through new financing; however, we cannot assure you that Holdings and AMC Entertainment would have sufficient funds available or be able to obtain new financing, on commercially reasonable terms or at all.

Investment in NCM

As discussed in Cash Flows From Investing Activities, we hold an investment of 18.6% in NCM accounted for following the equity method. The fair market value of these shares is approximately $492 million as of June 28, 2007. Because we have no tax basis in these units and because the sale of our entire interest in these units would also accelerate additional taxable income of $138 million which was previously deferred, we anticipate any sales of these units would be made over time to allow us to utilize available net operating loss carryforwards which are subject to annual limitations on their use.

Conclusion

We believe that cash generated from operations and existing cash and equivalents will be sufficient to fund operations and planned capital expenditures and potential acquisitions for at least the next 12 months and enable us to maintain compliance with covenants related to our senior secured credit facility. We are considering various options with respect to the utilization of cash and equivalents in excess of our anticipated operating needs. Such options might include, but are not limited to, acquisitions of theatres or theatre companies, repayment of corporate borrowings and payment of dividends to shareholders.

Impact of Inflation

Historically, the principal impact of inflation and changing prices upon us has been to increase the costs of the construction of new theatres, the purchase of theatre equipment, rent and the utility and labor costs incurred in connection with continuing theatre operations. Film exhibition costs, our largest cost of operations, are customarily paid as a percentage of admissions revenues and hence, while the film exhibition costs may increase on an absolute basis, the percentage of admissions revenues represented by such expense is not directly affected by inflation. Except as set forth above, inflation and changing prices have not had a significant impact on our total revenues and results of operations.

Covenant Compliance

Our senior secured credit facility requires us to maintain a net senior secured leverage ratio of no more than 3.25 to 1.0, calculated on a pro forma basis for the trailing four quarters (as determined under our senior secured credit facility) as long as the commitments under our revolving credit facility remain outstanding. Failure to comply with this covenant would result in an event of default under our senior secured credit facility unless waived by our revolving credit lenders, and in any event would likely limit our ability to borrow funds pursuant to our revolving credit facility. An event of default under our senior credit facility can result in the acceleration of our indebtedness under the facility, which in turn would result in an event of default and possible acceleration of indebtedness under our debt securities as well. In addition, our senior secured credit facility restricts our ability to take certain actions such as incurring additional debt or making certain acquisitions if we are unable to comply with our net senior secured leverage ratio covenant or, in the case of additional debt, maintain an Adjusted EBITDA to consolidated interest expense ratio of at least 2.0 to 1.0 and a senior leverage ratio of no more than 3.25 to 1.0 after giving pro forma effect (as determined under our senior secured credit facility) to the debt incurrence or acquisition, as the case may be. Failure to comply with these covenants would result in limiting our long-term growth prospects by hindering our ability to incur future indebtedness or grow through acquisitions. As our failure to comply with the covenants described above can, at best, limit our ability to incur debt or grow our company, and at worst, cause us to go into default under the agreements governing our indebtedness, management believes that our senior secured credit facility and these covenants are material to the Company. As of June 28, 2007, we were in compliance with the covenants described above.

Pro forma Adjusted EBITDA is defined in our senior secured credit facility as loss from continuing operations, as adjusted for the items summarized in the table below. Consolidated interest expense is defined in our senior secured credit facility as interest expense excluding, among other things, the amortization of fees and expenses incurred in connection with the Loews Dispositions, as well as the amortization of fees and expenses associated with certain investment and financing transactions and certain payments made in respect of operating leases, as described in the definition of consolidated interest expense, less interest income for the applicable period.

Adjusted EBITDA is not a measurement of our financial performance or liquidity under U.S. GAAP and should not be considered as an alternative to loss from continuing operations, operating

income or any other performance measures derived in accordance with U.S. GAAP. Consolidated interest expense as defined in our senior secured credit facility should not be considered an alternative to U.S. GAAP interest expense. Adjusted EBITDA includes estimated annual cost savings initiatives that we expect to achieve in connection with the Loews Acquisition as a result of actions that we have taken following completion of the Loews Acquisition. Adjusted EBITDA also includes estimated annual cost savings initiatives that we expect to achieve in the ordinary cause of business as a result of actions we have taken or anticipate taking in the near future. However, Adjusted EBITDA does not take into account the $29.9 million in one-time transition expenditures that we have incurred or anticipate that we will need to incur during this period in order to realize these cost savings. The adjustments set forth below reflecting estimated cost savings and operating synergies do not qualify as pro forma adjustments under Regulation S-X promulgated under the Securities Act and constitute forward-looking statements within the Private Securities Litigation Reform Act of 1995, as amended. Actual results may differ materially from those reflected due to a number of factors, including without limitation, (i) an inability to consolidate facilities, (ii) an inability to reduce headcount and (iii) an inability to terminate certain contracts.

	Pro Forma (Unaudited)	
	52 Weeks Ended June 28, 2007	
	(thousands of dollars, except ratios)	
Calculation of Adjusted EBITDA:		
Loss from continuing operations	$	(60,320)
Income tax provision (benefit)		9,200
Investment expense		(21,488)
Equity in (earnings) losses of non-consolidated entities		696
Interest expense		179,254
Other expense (income)		(227)
Disposition of assets and other (gains)/losses		(12,619)
Depreciation and amortization		256,265
Impairment charge		10,686
Theatre and other closure expense		(7,860)
Pre-opening expense		7,612
Stock-based compensation expense		10,904
Merger and acquisition costs		13,245
Additional credit facility adjustments:		
Gain on sale of investments and insurance recoveries		45,419
Non-cash items, deferred rent and other		(8,565)
Cost savings initiatives(1)		3,438
Adjusted EBITDA(2)	$	425,640
Net senior secured indebtedness(3)	$	684,488
Net senior secured leverage ratio(4)		1.61
Senior indebtedness(5)	$	1,037,437
Senior leverage ratio(6)		2.44
Consolidated interest expense(7)	$	141,202
Adjusted EBITDA Ratio(8)		3.01

(1) Represents cost savings related to (i) the substantially completed elimination of duplicative overhead costs, including staffing and other administrative expenses, and closure of duplicative facilities, in connection with the merger of Loews with AMC Entertainment in January 2006, (ii) the incorporation of Loews' operations within AMC Entertainment's national corporate contracts for certain vendors to our theatres, and (iii) the alignment of theatre pay level and

staffing practices and implementation of best practices used by each of AMC Entertainment and Loews with respect to staffing.

(2) See footnote (1) on page 12 for more information on Adjusted EBITDA.

(3) The senior secured credit facility defines net senior secured indebtedness as consolidated secured indebtedness for borrowed money other than any capital lease obligations, net of cash and cash equivalents. Net senior secured indebtedness reflected in the table consists primarily of borrowings under the senior secured credit facility and also reflects the impact on cash balances from the NCM Transactions and the Offering Transactions.

(4) The senior secured credit facility defines the net senior secured leverage ratio as the ratio of net senior secured indebtedness to Adjusted EBITDA for the trailing four fiscal quarters on a pro forma basis (as defined in the senior secured credit facility).

(5) The senior secured credit facility defines senior indebtedness as consolidated indebtedness for borrowed money that is not expressly subordinate or junior indebtedness.

(6) The senior secured credit facility defines the senior leverage ratio as the ratio of senior indebtedness to Adjusted EBITDA for the trailing four fiscal quarters on a pro forma basis (as defined in the senior secured credit facility).

(7) The senior secured credit facility defines consolidated interest expense as interest expense excluding, among other things, the amortization of fees and expenses incurred in connection with the Loews Acquisition, as well as the amortization of fees and expenses associated with certain investment and financing transactions and certain payments made in respect of operating leases, as described in the definition of consolidated interest expense, less interes