

REGAL ENTERTAINMENT GROUP

Form 10-Q

August 09, 2011

[Table of Contents](#)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2011

Commission file number: 001-31315

Regal Entertainment Group

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

02-0556934
(I.R.S. Employer
Identification No.)

7132 Regal Lane
Knoxville, TN
(Address of Principal Executive Offices)

37918
(Zip Code)

Edgar Filing: REGAL ENTERTAINMENT GROUP - Form 10-Q

Registrant's Telephone Number, Including Area Code: **865-922-1123**

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

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

Class A Common Stock 130,858,826 shares outstanding at August 4, 2011

Class B Common Stock 23,708,639 shares outstanding at August 4, 2011

Table of Contents

TABLE OF CONTENTS

<u>PART I. FINANCIAL INFORMATION</u>		3
<u>Item 1.</u>	<u>FINANCIAL STATEMENTS</u>	3
	<u>UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS</u>	3
	<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME</u>	4
	<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS</u>	5
	<u>NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u>	6
<u>Item 2.</u>	<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	31
<u>Item 3.</u>	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	42
<u>Item 4.</u>	<u>CONTROLS AND PROCEDURES</u>	43
<u>PART II. OTHER INFORMATION</u>		43
<u>Item 1.</u>	<u>LEGAL PROCEEDINGS</u>	43
<u>Item 1A.</u>	<u>RISK FACTORS</u>	43
<u>Item 4.</u>	<u>[REMOVED AND RESERVED]</u>	43
<u>Item 6.</u>	<u>EXHIBITS</u>	43
<u>SIGNATURES</u>		44

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****REGAL ENTERTAINMENT GROUP****UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

(in millions, except share data)

	June 30, 2011	December 30, 2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 195.5	\$ 205.3
Trade and other receivables	41.3	77.3
Income tax receivable	12.6	18.0
Inventories	15.1	14.7
Prepaid expenses and other current assets	19.8	15.9
Assets held for sale	1.2	1.2
Deferred income tax asset	7.8	14.1
TOTAL CURRENT ASSETS	293.3	346.5
PROPERTY AND EQUIPMENT:		
Land	125.4	129.7
Buildings and leasehold improvements	1,945.8	1,973.6
Equipment	983.1	984.1
Construction in progress	6.8	5.9
Total property and equipment	3,061.1	3,093.3
Accumulated depreciation and amortization	(1,455.1)	(1,402.8)
TOTAL PROPERTY AND EQUIPMENT, NET	1,606.0	1,690.5
GOODWILL	178.8	178.8
INTANGIBLE ASSETS, NET	21.4	22.2
DEFERRED INCOME TAX ASSET	65.1	81.2
OTHER NON-CURRENT ASSETS	203.3	173.4
TOTAL ASSETS	\$ 2,367.9	\$ 2,492.6
LIABILITIES AND DEFICIT		
CURRENT LIABILITIES:		
Current portion of debt obligations	\$ 17.4	\$ 95.8
Accounts payable	167.0	162.4
Accrued expenses	66.7	67.5
Deferred revenue	80.7	98.5
Interest payable	34.4	44.8
TOTAL CURRENT LIABILITIES	366.2	469.0
LONG-TERM DEBT, LESS CURRENT PORTION	1,931.2	1,897.7
LEASE FINANCING ARRANGEMENTS, LESS CURRENT PORTION	63.0	66.2
CAPITAL LEASE OBLIGATIONS, LESS CURRENT PORTION	11.8	13.3
NON-CURRENT DEFERRED REVENUE	350.8	342.4
OTHER NON-CURRENT LIABILITIES	183.2	195.7
TOTAL LIABILITIES	2,906.2	2,984.3
DEFICIT:		

Edgar Filing: REGAL ENTERTAINMENT GROUP - Form 10-Q

Class A common stock, \$0.001 par value; 500,000,000 shares authorized, 130,858,826 and 130,594,743 shares issued and outstanding at June 30, 2011 and December 30, 2010, respectively	0.1	0.1
Class B common stock, \$0.001 par value; 200,000,000 shares authorized, 23,708,639 shares issued and outstanding at June 30, 2011 and December 30, 2010		
Preferred stock, \$0.001 par value; 50,000,000 shares authorized; none issued and outstanding		
Additional paid-in capital (deficit)	(549.2)	(487.6)
Retained earnings	19.0	9.4
Accumulated other comprehensive loss, net	(6.7)	(12.2)
TOTAL STOCKHOLDERS DEFICIT OF REGAL ENTERTAINMENT GROUP	(536.8)	(490.3)
Noncontrolling interest	(1.5)	(1.4)
TOTAL DEFICIT	(538.3)	(491.7)
TOTAL LIABILITIES AND DEFICIT	\$ 2,367.9	\$ 2,492.6

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents

REGAL ENTERTAINMENT GROUP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except share and per share data)

	Quarter Ended June 30, 2011		Quarter Ended July 1, 2010		Two Quarters Ended June 30, 2011		Two Quarters Ended July 1, 2010
REVENUES:							
Admissions	\$ 519.3	\$	506.0	\$	913.7	\$	1,012.0
Concessions	200.2		192.6		351.5		377.6