

AMC ENTERTAINMENT HOLDINGS, INC.
Form S-1
August 30, 2013

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[INDEX TO FINANCIAL STATEMENTS](#)

[Table of Contents](#)

As filed with the Securities and Exchange Commission on August 30, 2013

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
(State or other jurisdiction of
incorporation or organization)

7832
(Primary Standard Industrial
Classification Code Number)

26-0303916
(I.R.S. Employer
Identification Number)

One AMC Way
11500 Ash Street
Leawood, Kansas 66211
(913) 213-2000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Kevin M. Connor, Esq.
Senior Vice President, General Counsel & Secretary
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One AMC Way
11500 Ash Street
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(913) 213-2000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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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 of the 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.

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.

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.

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.

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

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

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Class A Common Stock, \$0.01 par value	\$400,000,000	\$54,560

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) promulgated under the Securities Act.

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

(3) A registration fee in the amount of \$32,085 was previously paid by the registrant in connection with the filing of a Registration Statement on Form S-1 (Registration No. 333-168105) on July 14, 2010. Pursuant to Rule 457(p) under the Securities Act, the filing fee of \$32,085 previously paid by the registrant is being used to offset the filing fee of \$54,560 required for the filing of this Registration Statement.

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.

Table of Contents

The information in this preliminary 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 preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 30, 2013

PRELIMINARY PROSPECTUS

Shares

AMC Entertainment Holdings, Inc.

Class A Common Stock
\$ per share

This is the initial public offering of our Class A common stock. We are selling _____ shares of our Class A common stock. We currently expect the initial public offering price to be between \$ _____ and \$ _____ per share of Class A common stock.

We have granted the underwriters an option to purchase up to _____ additional shares of Class A common stock to cover over-allotments.

We will apply to have the Class A common stock listed on the New York Stock Exchange under the symbol "AMC."

Upon consummation of this offering, we will have two classes of common stock: our Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock will be identical, except with respect to voting and conversion applicable to the Class B common stock. Each share of Class A common stock will be entitled to one vote. Each share of Class B common stock will be entitled to three votes and will be convertible at any time into one share of Class A common stock.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 20.

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.

	Per Share	Total
Public Offering Price	\$	\$
Underwriting Discount	\$	\$

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Proceeds to AMC Entertainment Holdings, Inc. (before expenses) \$ \$

The underwriters expect to deliver the shares to purchasers on or about _____, 2013 through the book-entry facilities of The Depository Trust Company.

_____, 2013

Table of Contents

TABLE OF CONTENTS

We are responsible for the information contained in this prospectus. We have not authorized anyone to provide you with different information, and we take no responsibility for any other information others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than its date.

	PAGE
<u>PROSPECTUS SUMMARY</u>	<u>1</u>
<u>RISK FACTORS</u>	<u>20</u>
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	<u>33</u>
<u>USE OF PROCEEDS</u>	<u>35</u>
<u>DIVIDEND POLICY</u>	<u>36</u>
<u>CAPITALIZATION</u>	<u>37</u>
<u>DILUTION</u>	<u>38</u>
<u>UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION</u>	<u>40</u>
<u>SELECTED HISTORICAL FINANCIAL AND OPERATING DATA</u>	<u>48</u>
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>50</u>
<u>BUSINESS</u>	<u>90</u>
<u>MANAGEMENT</u>	<u>107</u>
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	<u>114</u>
<u>PRINCIPAL STOCKHOLDERS</u>	<u>136</u>
<u>DESCRIPTION OF CERTAIN INDEBTEDNESS</u>	<u>137</u>
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	<u>141</u>
<u>DESCRIPTION OF CAPITAL STOCK</u>	<u>143</u>
<u>SHARES ELIGIBLE FOR FUTURE SALE</u>	<u>148</u>
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON U.S. HOLDERS</u>	<u>150</u>
<u>UNDERWRITING</u>	<u>154</u>
<u>LEGAL MATTERS</u>	<u>160</u>
<u>EXPERTS</u>	<u>160</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>160</u>
<u>INDEX TO FINANCIAL STATEMENTS</u>	<u>F-1</u>

Table of Contents

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 ("MPAA"), the National Association of Theatre Owners ("NATO"), Nielsen Media Research, 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 MPAA is for the 2012 calendar year, all information provided by NATO is for the 2012 calendar year and all information provided by Rentrak is for the 2012 calendar year.

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. Similarly, 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" in this prospectus.

Table of Contents

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 Class A 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 AMC Entertainment Inc. ("AMCE"). As used in this prospectus, unless the context otherwise requires, references to "we," "us," "our," the "Company," "AMC" or "AMC Entertainment" refer to Parent and its consolidated subsidiaries.

On November 15, 2012, we announced that we changed our fiscal year to a calendar year so that the calendar year shall begin on January 1st and end on December 31st of each year. Prior to the change, fiscal years refer to the fifty-two weeks, and in some cases fifty-three weeks, ending on the Thursday closest to the last day of March.

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 Merger (as defined below) and (ii) this offering and the use of proceeds therefrom and related transactions (collectively, the "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."

Certain financial measures presented in this prospectus, such as Adjusted EBITDA and Theatre Level Adjusted EBITDA are not recognized terms under accounting principles generally accepted in the United States ("GAAP"). These measures exclude a number of significant items, including our interest expense and depreciation and amortization expense. For a discussion of the use of these measures and a reconciliation to the most directly comparable GAAP measures, see pages " Summary Historical and Unaudited Financial and Operating Data." We also use "cash on cash return" as a measure of the performance of our theatres after implementation of one or more of the strategic initiatives described below under " Our Strategy: The Customer Experience Leader." Management uses this metric to measure as a yardstick for the increase in operating performance of our theatres relative to the capital invested in them and to guide the allocation of future capital deployment. We believe that securities analysts and investors also view this measure as an important tool for measuring our performance. We define "cash-on-cash" return on the capital investment for a strategic initiative as the increase in Theatre-level Adjusted EBITDA (as defined on page 19) attributable to such capital investment for the twelve month period following completion of the capital investment over the preceding 12 month period divided by the amount of such capital expenditures, net of landlord contribution (as defined on page 19).

Our Company

We are one of the world's largest theatrical exhibition companies and an industry leader in innovation and operational excellence. We introduced Multiplex theatres in the 1960s and the North American stadium-seated Megaplex theatre format in the 1990s. Our field operations teams win recognition from national organizations like the Motion Picture Association of America and local groups in "Best of" competitions, while maintaining greater than 50% top-box guest satisfaction and industry leading theatre productivity metrics.

As of June 30, 2013, we owned, operated or held interests in 343 theatres with a total of 4,937 screens primarily in North America. Our theatres are predominantly located in major metropolitan markets, which we believe give our circuit a unique profile and offer strategic and operational advantages. Our top five markets, in each of which we hold the #1 or #2 share position, are New York (42% share), Los Angeles (27%), Chicago (44%), Philadelphia (28%) and Dallas (28%). For the twelve months ended June 30, 2013, these five metro markets comprised 40% of our revenues and 38% of our attendance. Strategically, these markets and our theatres in them are diverse, operationally complex,

Table of Contents

and, in many cases, for established locations, the scarcity of new theatre opportunities creates a significant competitive advantage against newcomers or alternative entertainment options.

Across our entire circuit, approximately 200 million guests visited our theatres during calendar year 2012 and during the twelve months ended June 30, 2013. For the year ended December 31, 2012, our best ever, we had total revenues of \$2.7 billion; Adjusted EBITDA of \$438.3 million and net income of \$51.5 million, and for the twelve months ended June 30, 2013, we generated total revenues of \$2.7 billion, Adjusted EBITDA of \$436.5 million and net income of \$82.8 million. According to publically available information for our peers, during the calendar year ended December 31, 2012, our circuit led in revenues per head (\$13.56), average ticket price (\$9.04) and concessions per head (\$3.92). For the same period, our attendance per screen (41,900) and admissions gross profit per screen (\$179,000) were among the highest of our peers. In the last two years ended June 30, 2013, we have deployed a total of \$144.4 million in growth-oriented capital, including \$16.7 million contributed by landlords, into our circuit and infrastructure to help generate those results. We believe that it is the quality of our theatre locations and our customer-focused innovation that continue to drive improved productivity per location, return on investment and shareholder value.

We believe that our size, reputation, financial performance, history of innovation, strong major market presence and highly productive theatre circuit position us well for the future. A future where, after more than nine decades of business models driven by quantity of theatres, screens and seats, we believe quality of the movie going experience will determine long term, sustainable success. We are improving the quality of the movie-going experience in ways that extend stay and capture a greater proportion of total movie-going spending in order to maximize the economic potential of each guest visit, create sustainable growth and deliver shareholder value.

Our intention is to capitalize on this pivot towards quality by leveraging our proud tradition of best-in-class theatre operations, combined with the next wave of innovations in movie-going. We plan to continue investing in our theatres and upgrading the consumer experience to take greater advantage of incremental revenue-generating opportunities, primarily through an array of improved and differentiated customer experiences in (1) comfort & convenience; (2) food & beverage; (3) engagement & loyalty; (4) sight & sound and (5) targeted programming.

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Table of Contents

The following table summarizes our current deployment progress in screens through August 30, 2013 as well as our expected plans for future deployment of our strategy over the next five years. These investments must meet specific cash-on-cash return criteria and are designed to increase attendance, customer spend and profitability.

Regions	Total Screens	Comfort & Convenience		Enhanced Food & Beverage			Premium Sight & Sound			
		Motorized, plush recliners with leg rest; Relax at the push of a button	Guarantee of pre-selected seat; Arrive just-in-time and anxiety-free	Shopping experience featuring menu offerings, including made-to-order options	Innovative technology featuring 120+ drink flavor options; Guest customized	Coke Freestyle Machines	Full service bar serving premium beers, mixed drinks; Enjoy before or after movie	Casual, in theatre dining provided via seat side service; Conveniently satisfies consumer need for "dinner and a movie"	IMAX	Proprietary sight and sound format for ultimate guest escape
New York/New Jersey/Philadelphia(1)	688	60	72	14	55	28	28	17	2	374
California	653	12	29	20	94	22	6	24	5	342
Illinois(2)	532	18	36	30	48	39		13	1	238
Texas	393	9	30	74	131	198	13	9	1	172
Florida	380	0	24	24	44	110	6	11	2	180
Missouri/Kansas/Oklahoma(3)	285	24	68	28	72	82	27	8	1	134
Arizona/Colorado	319	25	28	48	76	76	14	8	1	149
Michigan/Ohio	336	31	62	30	63	164	13	7		136
Washington DC(4)	157	17	18		17			6	1	82
Massachusetts	119	22	37		22			3		62
Balance	1,078	53	84	29	146	101	6	29	1	489
Totals	4,940	271	488	297	768	820	113	135	15	2,358
Incremental Revenue/Patron		\$0.92	See (5).	\$0.12	\$0.08	\$0.30	\$11.72	\$5.73	\$5.08	\$3.38
5-Year Deployment Plan	249	1,582	1,806	500	4,421	700	200	15	19	217

- (1) Includes Connecticut.
- (2) Chicago metropolitan market, including theatres in Indiana. Also includes Wisconsin and Iowa.
- (3) Includes St. Louis metropolitan market.
- (4) Washington, D.C. metropolitan market, including Maryland and Virginia.
- (5) Not charged separately, included in ticket price.

Table of Contents

Our Strategy: The Customer Experience Leader

Through most of its history, movie-going has been defined by product – the movies themselves. Yet, long term significant, sustainable changes in the economics of the business and attendance patterns have been driven by improvements to the movie-going experience, not the temporary ebb and flow of product. The introduction of Multi- and then Megaplexes, with their then-modern amenities and stadium seats, for example, changed the landscape of the industry.

We believe the industry is in the early stages of once again significantly upgrading the movie-going experience, and this shift towards quality presents opportunities to those who are positioned to capitalize on it. As is our custom, we intend to be a leader in this change, with consumer-focused innovations that improve productivity, maximize revenue-generation per guest visit and, in turn, drive shareholder value.

Our strategic objective is then very straightforward: we intend to be the customer experience leader. We aim to maintain and increase our leadership position and competitive advantage through the following five tightly defined strategies:

1) More Comfort & Convenience We believe that in an era of jam-packed, busy schedules and stressful lives, movie-going more than ever represents an easy, familiar escape. Against that reality, we believe that maximizing comfort and convenience for our guests will be increasingly necessary to maintain and improve customer relevance.

Three specific initiatives help us deliver more comfort and convenience to our guests. The most impactful so far, as measured by improved guest satisfaction, economic and financial metrics, is recliner re-seats. Along with these physical plant transformations, open-source internet ticketing and reserved seating help us shape and adapt our circuit to meet and exceed our guests' expectations.

Recliner re-seats are the key feature of full theatre renovations. These exhaustive theatre renovations involve stripping theatres to their basic structure in order to replace finishes throughout, upgrade the sight and sound experience, install modernized points of sale and, most importantly, replace traditional theatre seats with plush, electric recliners that allow guests to deploy a leg rest and fully recline at the push of a button. The renovation process typically involves losing 64% seating capacity. For an industry historically focused on quantity, this reduction in seating capacity could be viewed as counter-intuitive and harmful to revenues. However, the quality improvement in the guest experience is driving, on average, an 84% increase in attendance at these locations. Our guests have responded favorably to the significant personal space gains from ample row depths, ability to recline or stretch their legs, extra-wide pillowed chaise and oversized armrests. Starting with one 12-screen theatre a little over two years ago, as of August 2013 we now feature recliner re-seats in 25 theatres, or 271 screens, with another 8 theatres, or 93 screens, under construction. Cash-on-cash returns for the four locations opened prior to July 1, 2012 have averaged over 100%. We believe that approximately 1/4 of our circuit's re-seat potential has been addressed, leaving us with over 1,500 addressable screens to go. Thus far, we have only implemented modest ticket pricing increases at these re-seated theatres, and we believe there is unrealized revenue potential at these theatres as we rebalance the supply-demand relationship created by added comfort from re-seats and our customers' willingness to pay for this improved experience.

Rebalancing of the new supply-demand relationship created by recliner re-seats presents us two further opportunities to improve guest convenience and maximize operating results: open-source internet ticketing and reserved seating.

Open-source internet ticketing makes all our seats (almost 950,000) in all our theatres and auditoriums for all our showtimes (approximately 22,000 per day), as available as possible, on as many websites as possible. This is a significant departure from the prior ten-year practice, when tickets to any one of our buildings were only available on one website. In the two years since we exercised our right

Table of Contents

to end exclusive contracts, internet tickets sold as a percentage of total tickets sold has increased significantly from 5.5% to 8.5%. We believe increased online access is important because it captures guests' purchase intent more immediately and directly than if we had to wait until they showed up at the theatre box office to make a purchase. Once our guests buy a ticket, they are less likely to change their mind. Carefully monitoring internet pre-sales also lets us adjust capacity in real time, moving movies that are poised to overperform to larger capacity or more auditoriums, thereby maximizing yield.

Reserved seating, now fully implemented in 44 of our busiest theatres, allows our guests to choose a specific seat in advance of the movie. We believe that knowing there is a specifically chosen seat waiting for a show that promises to be a sellout is comforting to our guests, and removes anxiety around the experience. We believe reserved seating will become increasingly prevalent to the point of being a pre-requisite in the medium-term future.

We believe the comfort and personal space gains from recliner re-seats, coupled with the immediacy of demand captured from open-source internet ticketing and the anxiety removal of reserved seating make a powerful economic combination for us that none of our peer set is exploiting as aggressively as we are.

2) Enhanced Food & Beverage Popcorn and soft drinks are as integral a part of the movie-going experience as the movies themselves. Yet, approximately one third of our 200 million annual guests do not purchase food or a beverage. In order to increase the percentage of guests purchasing food or a beverage as well as increase sales per patron, we have developed food and beverage concepts that expand selection and service offerings. These concepts range from the simple and traditional (Concession Freshens) to the vastly innovative and complex (Dine-In Theatres). This array of concepts, progressively more innovative and capital intensive, creates further service and selection across a range of theatre types and attendance levels and allows us to satisfy more guests and different guest needs and generate additional revenues.

The most broadly deployed concept is Concession Freshen, which supplements the traditional menu with made-to-order hot foods, espresso drinks, smoothies, better-for-you products and an expanded range of candies and frozen novelty treats.

Concession Freshen capitalizes on food and beverage trends our guests have adopted in other quick-eat venues. To date, we have implemented 80 Concession Freshens where we enjoy average incremental concessions per head (CPH) of \$0.04 and cash-on-cash returns for the 58 locations deployed prior to July 1, 2012 have averaged over 37%.

At the next level, and designed for higher volume theatres, Marketplace vastly expands menu offerings as well as delivers a more guest engaging, post-pay shopping experience. In addition to the expanded offerings found in Concession Freshens, Marketplaces also feature grab-and-go and self-serve food and beverages, including Coke Freestyle®, which puts our guests in charge with over 120 drink flavor options. AMC's operational excellence and history of innovation allowed us first-mover advantage on this new technology, which today is deployed in 47 of our theatres and we anticipate will be in all of our circuit by mid-2015. We find that when customers are allowed to browse and choose, overall satisfaction goes up and they spend more. Our CPH metrics improve on average \$0.12. We now operate 14 Marketplaces with plans to install as many as 25 more, as our next generation concession format.

Deployed alone or alongside our other food and beverage concepts are our MacGuffins Bar & Lounges. We believe that few innovations have won over the adult movie goer more decisively than our full service bars featuring premium beers, wines and liquors. In the last 30 months we have deployed 44 MacGuffins, and with their impressive average incremental CPH of \$0.30, we are moving quickly to install an additional 25 within twelve months and believe the concept will be successful in an additional 50-75 theatres thereafter. MacGuffins have delivered average

Table of Contents

cash-on-cash returns for the twelve locations deployed prior to July 1, 2012 of over 100%. Due to our excellent track record successfully operating *MacGuffins*, AMC enjoys a significant advantage within the exhibition industry when it comes to permitting, installing and commissioning these improvements.

At the top of the scale are our *Dine-In Theatres*. *Dine-In Theatres* are full restaurant operations, giving our guests the ultimate dinner-and-a-movie experience all at a single seat. Compressing by almost half what would otherwise be a four or five hour, multi-destination experience, young people and adults alike are afforded a huge convenience, which puts the idea of going to a movie much more in play. We currently operate 11 *Dine-In Theatres*. Cash-on-cash returns for the four locations deployed prior to July 1, 2012 averaged 11% in their first full year of operations. At our seven locations that were open prior to July 1, 2011, cash-on-cash returns grew to 34% in the second full year of operations as consumer awareness increased. These increases in cash-on-cash returns were driven primarily by an increase in CPH of \$6.15. Today, *Dine-In Theatres* represent 3% of our total theatres but generated 10% of our circuit-wide food and beverage revenues. We plan to open 20 more *Dine-In Theatres* in the next 5 years.

Building on the success of our full-service *Dine-In Theatres*, we are under construction at two locations with an emerging concept, *DIT Express*. *DIT Express* emphasizes freshness, speed and convenience. Guests place their orders at a central station and the order is delivered to our guests at their reserved seat. *DIT Express* was developed in conjunction with Union Square Events (a division of Union Square Hospitality Group). Like our other food and beverage concepts, we believe that *DIT Express* will become an important part of our toolkit.

In this most important area of profitability for any exhibition circuit, we believe that our ability to innovate concepts, adapt those concepts to specific buildings and generate incremental revenue differentiates us from our peers and provides us with a competitive advantage. This is in part due to our core geographic markets' larger, more diverse and more affluent customer base; in part due to our management team's demonstrated and extensive experience in food, beverage and hospitality; and in part due to our three-plus year head start in this difficult to execute space.

We believe significant financial opportunities exist as we have a substantial pipeline of investments to take advantage of incremental attendance-generating and revenue-generating prospects by deploying building-by-building solutions from a proprietary menu of proven, guest-approved food and beverage concepts.

3) Greater Engagement & Loyalty We believe that in the theatrical exhibition business, as in all consumer-oriented businesses, engagement and loyalty are the hallmarks of winning organizations.

Our brand is the most recognizable in the business, with over 80% awareness in the United States according to an Ipsos Omnibus survey completed July 2013 far above any competitor. We build on that strength by seeking engagement and loyalty from our guests in four measurable, specific and inter-related ways. At the top of the pyramid is *AMC Stubs*®, the industry's most sophisticated loyalty program. At the base of the pyramid are our mobile apps, website (www.amctheatres.com) and social media outreach, which combined seek to drive engagement to levels unprecedented in the movie exhibition industry. We believe there is incremental attendance potential to be gained from avid movie-goers who generate a disproportionate share of industry revenues and who state that the quality of the movie-going experience directly influences their movie-going habits.

AMC Stubs® is the industry's first program of its kind. Fee-based (consumers pay \$12/year to belong), it rewards loyalists with in-theatre value (\$10 for every \$100 spent) instead of hard to track "points". The program is fully automated and user-friendly from a guest perspective. As of August 2013 we had 2.3 million member households, which represent approximately 20% of our total weekly box office revenues. Transaction data from this loyal customer base are mined for

Table of Contents

consumer insights that are used to develop targeted, relevant guest offers, leading to increased attendance and sales. The program increases switching costs, especially for those patrons located near our competitors' theatres, and leads to higher loyalty.

Our www.amctheatres.com state-of-the-art *website*, leverages adaptive technology that optimizes the users' experience regardless of platform (phone, tablet, laptop, etc.) and has nearly 9 million visits per month, with peak months over 12 million, generating up to almost 300 million page visits per year. The website generates ticket sales and higher conversion rates by simplifying guests' purchasing decision and process.

The *AMC mobile apps*, available for iOS, Android and Windows devices have been downloaded nearly 1.75 million times since launch, generating almost a half million sessions per week. This convenient way to purchase tickets also features *Enhanced Maps*, which allows guests to browse for their nearest AMC theatre or favorite AMC theatre amenity, and *My AMC*, which allows guests to generate a personalized movie queue of coming releases.

On the *social media* front, our Facebook 'Likes', recently at 4 million and growing, are more than all our peer competitors' counts combined. We are similarly engaged on Twitter (almost 200,000 followers), Pinterest, Instagram and YouTube. Our participation in these social networks keeps movie-going top of mind and allows targeted campaigns and offers with clear 'calls to action' that generate incremental attendance and incremental revenues per patron.

The competitive advantage in greater guest engagement and loyalty includes the ability to use market intelligence to better anticipate guests' needs and desires and to capture incremental share of entertainment dollars and time.

4) Premium Sight & Sound At its core, our business is a visual and aural medium. The quality of projection and sound is therefore mission critical, and has improved significantly with the advent of *digital systems*. Today, our conversion to these digital systems is substantially complete, and 4,757 or 96% of our screens employ state-of-the-art Sony 4K or similar digital projectors. Importantly, the digital conversions enabled *3D exhibition*, and today 2,358 screens (48% of total) are so enabled. We have at least one 3D enabled screen in 97% of our locations.

In sight and sound, we believe that size is critical in our customers' decision-making. Consistent with this belief, we are the world's largest *IMAX* exhibitor, with 135 screens, all 3D-enabled, with nearly twice the screen count of our closest competitor and representing a 44% market share in the United States (as of June 30, 2013). In addition, we currently have our own private label large format, marketed as *ETX*, in 15 locations (also all 3D enabled). Combined, these 150 screens represent only 3% of our total screens, yet on the weekends when big movies open, as much as 19% of our box office flows from them.

The premium sight and sound experiences 3D, ETX and IMAX give our customers more options and earn incremental pricing from our gu