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 April 1, 2010

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)

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 x No o

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 o No o

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

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

Class A Common Stock 130,566,879 shares outstanding at April 28, 2010

Class B Common Stock 23,708,639 shares outstanding at April 28, 2010

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PART I FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

REGAL ENTERTAINMENT GROUP

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions, except share data)

	April 1, 2010	December 31, 2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 321.6	$ 328.1
Trade and other receivables	22.0	69.0
Inventories	13.5	12.3
Prepaid expenses and other current assets	12.1	8.6
Assets held for sale	0.6	0.6
Deferred income tax asset	10.3	10.3
TOTAL CURRENT ASSETS	380.1	428.9
PROPERTY AND EQUIPMENT:		
Land	118.6	118.6
Buildings and leasehold improvements	1,924.5	1,921.4
Equipment	1,002.5	1,016.3
Construction in progress	11.3	8.8
Total property and equipment	3,056.9	3,065.1
Accumulated depreciation and amortization	(1,294.0)	(1,246.4)
TOTAL PROPERTY AND EQUIPMENT, NET	1,762.9	1,818.7
GOODWILL	178.8	178.8
INTANGIBLE ASSETS, NET	10.8	11.7
DEFERRED INCOME TAX ASSET	86.7	78.1
OTHER NON-CURRENT ASSETS	169.6	121.5
TOTAL ASSETS	$ 2,588.9	$ 2,637.7
LIABILITIES AND DEFICIT		
CURRENT LIABILITIES:		
Current portion of debt obligations	$ 216.3	$ 17.1
Accounts payable	156.2	198.5
Accrued expenses	58.7	65.2
Deferred revenue	108.6	93.9
Interest payable	9.2	21.8
TOTAL CURRENT LIABILITIES	549.0	396.5
LONG-TERM DEBT, LESS CURRENT PORTION	1,691.7	1,892.6
LEASE FINANCING ARRANGEMENTS, LESS CURRENT PORTION	70.6	72.0
CAPITAL LEASE OBLIGATIONS, LESS CURRENT PORTION	14.3	15.4
NON-CURRENT DEFERRED REVENUE	345.6	341.2
OTHER NON-CURRENT LIABILITIES	178.4	166.9

TOTAL LIABILITIES		2,849.6		2,884.6
DEFICIT:				
Class A common stock, $0.001 par value; 500,000,000 shares authorized, 130,561,991 and 130,292,790 shares issued and outstanding at April 1, 2010 and December 31, 2009, 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 April 1, 2010 and December 31, 2009				
Preferred stock, $0.001 par value; 50,000,000 shares authorized; none issued and outstanding				
Additional paid-in capital (deficit)		(281.4)		(282.9)
Retained earnings		35.6		47.0
Accumulated other comprehensive loss, net		(13.9)		(10.3)
TOTAL STOCKHOLDERS DEFICIT OF REGAL ENTERTAINMENT GROUP		(259.6)		(246.1)
Noncontrolling interest		(1.1)		(0.8)
TOTAL DEFICIT		(260.7)		(246.9)
TOTAL LIABILITIES AND DEFICIT	$	2,588.9	$	2,637.7

See accompanying notes to unaudited condensed consolidated financial statements.

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REGAL ENTERTAINMENT GROUP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except share and per share data)

	Quarter Ended April 1, 2010	Quarter Ended April 2, 2009
REVENUES:		
Admissions	$ 506.0	$ 459.5
Concessions	185.0	179.4
Other operating revenue	28.8	26.7
TOTAL REVENUES	719.8	665.6
OPERATING EXPENSES:		
Film rental and advertising costs	266.7	229.7
Cost of concessions	26.7	24.0
Rent expense	94.7	92.9
Other operating expenses	198.9	185.9
General and administrative expenses (including share-based compensation of $1.5 and $1.6 for the quarters ended April 1, 2010 and April 2, 2009, respectively)	15.9	15.3
Depreciation and amortization	56.2	49.9
Net loss on disposal and impairment of operating assets	13.1	5.4
TOTAL OPERATING EXPENSES	672.2	603.1
INCOME FROM OPERATIONS	47.6	62.5
OTHER EXPENSE (INCOME):		
Interest expense, net	36.0	37.2
Earnings recognized from NCM	(16.7)	(10.6)
Other, net	0.8	0.2
TOTAL OTHER EXPENSE, NET	20.1	26.8
INCOME BEFORE INCOME TAXES	27.5	35.7
PROVISION FOR INCOME TAXES	11.1	14.4
NET INCOME	16.4	21.3
NONCONTROLLING INTEREST, NET OF TAX	0.1	
NET INCOME ATTRIBUTABLE TO CONTROLLING INTEREST	$ 16.5	$ 21.3
EARNINGS PER SHARE OF CLASS A AND CLASS B COMMON STOCK:		
Basic	$ 0.11	$ 0.14
Diluted	$ 0.11	$ 0.14
AVERAGE SHARES OUTSTANDING (in thousands):		
Basic	153,364	153,045
Diluted	154,769	154,093
DIVIDENDS DECLARED PER COMMON SHARE	$ 0.18	$ 0.18

See accompanying notes to unaudited condensed consolidated financial statements.

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REGAL ENTERTAINMENT GROUP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

	Quarter Ended April 1, 2010	Quarter Ended April 2, 2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 16.4	$ 21.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	56.2	49.9
Amortization of debt discount	1.3	1.0
Amortization of debt acquisition costs	2.1	2.3
Share-based compensation expense	1.5	1.6
Deferred income tax benefit	(6.2)	(1.6)
Net loss on disposal and impairment of operating assets	13.1	5.4
Equity in loss of non-consolidated entities and other	0.2	0.5
Excess cash distribution on NCM shares	3.3	1.8
Non-cash rent expense	0.6	1.8
Changes in operating assets and liabilities:		
Trade and other receivables	46.8	50.1
Inventories	(1.2)	(1.4)
Prepaid expenses and other assets	(2.7)	(9.5)
Accounts payable	(42.3)	(42.3)
Income taxes payable	6.1	0.1
Deferred revenue	13.1	26.4
Accrued expenses and other liabilities	(30.4)	(19.0)
NET CASH PROVIDED BY OPERATING ACTIVITIES	77.9	88.4
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(21.1)	(27.9)
Proceeds from disposition of assets	0.1	0.4
Investment in DCIP	(29.6)	
Distributions to partnership	(0.1)	
NET CASH USED IN INVESTING ACTIVITIES	(50.7)	(27.5)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash used to pay dividends	(27.8)	(27.7)
Net payments on long-term obligations	(5.5)	(6.3)
Cash used to purchase treasury shares and other	(0.9)	(0.5)
Proceeds from stock option exercises	0.5	
Payment of debt acquisition costs and other		(9.6)
NET CASH USED IN FINANCING ACTIVITIES	(33.7)	(44.1)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6.5)	16.8
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	328.1	170.2
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 321.6	$ 187.0
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for income taxes, net of refunds received	$ 8.2	$ 0.7
Cash paid for interest	$ 45.6	$ 36.8
SUPPLEMENTAL NON-CASH INVESTING ACTIVITIES:		
Investment in NCM	$ 5.9	$ 7.0
Investment in DCIP	$ 12.6	$

See accompanying notes to unaudited condensed consolidated financial statements.

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REGAL ENTERTAINMENT GROUP

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

APRIL 1, 2010 AND APRIL 2, 2009

1. THE COMPANY AND BASIS OF PRESENTATION

Regal Entertainment Group (the Company, Regal, we or us) is the parent company of Regal Entertainment Holdings, Inc. (REH), which is tl parent company of Regal Cinemas Corporation (Regal Cinemas) and its subsidiaries. Regal Cinemas subsidiaries include Regal Cinemas, Inc. (RCI) and its subsidiaries, which include Edwards Theatres, Inc. (Edwards), Hoyts Cinemas Corporation (Hoyts) and United Artists Theatre Company (United Artists). The terms Regal or the Company, REH, Regal Cinemas, RCI, Edwards, Hoyts and United Artists shall be deemed to include the respective subsidiaries of such entities when used in discussions included herein regarding the current operations or assets of such entities.

Regal operates the largest theatre circuit in the United States, consisting of 6,739 screens in 545 theatres in 38 states and the District of Columbia as of April 1, 2010. The Company formally operates on a 52-week fiscal year with each quarter generally consisting of 13 weeks, unless otherwise noted. The Company s fiscal year ends on the first Thursday after December 25, which in certain years results in a 53-week fiscal year. As of April 1, 2010, the Company managed its business under one reportable segment: theatre exhibition operations.

On July 15, 2009, Regal Cinemas issued $400.0 million in aggregate principal amount of 85/8% Senior Notes due 2019 (the 85/8% Senior Notes) at a price equal to 97.561% of their face value in a transaction exempt from registration under the Securities Act of 1933, as amended (the Securities Act). The net proceeds from the offering, after deducting the initial purchase discount and offering expenses paid by the Company, were approximately $381.3 million. The Company used all of the net proceeds to repay a portion of the Amended Senior Credit Facility (as defined herein). As a result of this repayment, the Company recorded a loss on debt extinguishment of approximately $7.4 million, representing the pro-rata write off of unamortized debt issue costs under the Amended Senior Credit Facility. See Note 3 Debt Obligations for further discussion of this transaction.

For a discussion of other significant transactions which have occurred through December 31, 2009, please refer to Note 1 to the consolidated financial statements included in Part II, Item 8 of our annual report on Form 10-K filed on March 1, 2010 with the Securities and Exchange Commission (the Commission) (File No. 001-31315) for the fiscal year ended December 31, 2009 (the 2009 Audited Consolidated Financial Statements).

On February 12, 2007, we, along with AMC Entertainment, Inc. (AMC) and Cinemark, Inc. (Cinemark) formed a joint venture company known as Digital Cinema Implementation Partners, LLC, a Delaware limited liability company (DCIP), to create a financing model and establish agreements with major motion picture studios for the implementation of digital cinema in our theatres. As further described in Note 2 Investments, on March 10, 2010, DCIP completed the execution of definitive agreements and related financing transactions in connection with the conversion to digital projection. As part of the closing, the Company made equity contributions to DCIP of approximately of approximately $41.7 million, consisting of $29.1 million in cash and 200 existing

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digital projection systems with a fair value of approximately $12.6 million. In connection with the contribution of its 200 existing digital projection systems, the Company recorded a loss on the contribution of $2.0 million based on the excess of the carrying value of the digital projection systems contributed over the $12.6 million fair value of such equipment. After giving effect to the equity contributions, the Company holds a 46.7% economic interest in DCIP as of April 1, 2010, while continuing to maintain a one-third voting interest along with AMC and Cinemark.

As discussed further in Note 2 Investments, in accordance with the annual adjustment provisions of the Common Unit Adjustment Agreement with National CineMedia, LLC (National CineMedia), on March 17, 2010, we received from National CineMedia approximately 0.3 million newly issued common units of National CineMedia. This adjustment increased the number of National CineMedia common units held by us to approximately 25.8 million and as a result, on a fully diluted basis, we own a 24.8% interest in National CineMedia, Inc. (NCM, Inc.) as of April 1, 2010.

During the quarter ended April 1, 2010, Regal paid one quarterly cash dividend of $0.18 on each outstanding share of the Company s Class A and Class B common stock, or approximately $27.8 million in the aggregate.

Total comprehensive income for the quarters ended April 1, 2010 and April 2, 2009 was $12.9 million and $15.9 million, respectively. Total comprehensive income consists of net income attributable to controlling interest and other comprehensive loss, net of tax, related to the change in the aggregate unrealized loss on the Company s interest rate swap arrangements during each of the quarters April 1, 2010 and April 2, 2009. The Company s interest rate swap arrangements are further described in Note 3 Debt Obligations.

The Company has prepared the unaudited condensed consolidated balance sheet as of April 1, 2010 and the unaudited condensed consolidated statements of income and cash flows for the quarters ended April 1, 2010 and April 2, 2009 in accordance with U.S. generally accepted accounting principles for interim financial information and the rules and regulations of the Commission. Accordingly, certain information and footnote disclosures typically included in an annual report have been condensed or omitted for this quarterly report. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly in all material respects the financial position, results of operations and cash flows for all periods presented have been made. The December 31, 2009 unaudited condensed consolidated balance sheet information is derived from the 2009 Audited Consolidated Financial Statements. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto. The results of operations for the quarter ended April 1, 2010 are not necessarily indicative of the operating results that may be achieved for the full 2010 fiscal year.

2. INVESTMENTS

Investment in Digital Cinema Implementation Partners

On February 12, 2007, we, along with AMC and Cinemark, formed DCIP, to create a financing model and establish agreements with major motion picture studios for the implementation of digital cinema in our theatres. On March 10, 2010, DCIP completed the execution of definitive agreements and related financing transactions in connection with the conversion to digital projection. DCIP s completed financing raised an aggregate of approximately $660.0 million, consisting of approximately $445.0 million in senior bank debt, approximately $135.0 million in additional junior capital and approximately $80.0 million in equity contributions (consisting of cash and existing digital projection systems) from us, AMC and Cinemark. Concurrent with closing, the Company entered into a master equipment lease agreement (the Master Lease) and other related agreements (collectively the Digital Cinema Agreements) with Kasima, LLC a wholly owned subsidiary of DCIP and related party to the Company. Upon execution of the Digital Cinema Agreements, the Company made equity contributions to DCIP of approximately $41.7 million, consisting of $29.1 million in cash and 200 existing digital projection systems with a fair value of approximately $12.6 million (collectively the DCIP Contributions). The Company recorded such DCIP Contributions as an increase in its investment in DCIP. In connection with the contribution of its 200 existing digital projection systems, the Company recorded a loss on the contribution of $2.0 million based on the excess of the carrying value of the digital projection systems contributed over the $12.6 million fair value (as determined by an independent appraisal) of such equipment. Such amount has been presented as a component of Net loss on

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disposal and impairment of operating assets in the accompanying unaudited condensed consolidated statement of income for the quarter ended April 1, 2010.

After giving effect to the DCIP Contributions, the Company holds a 46.7% economic interest in DCIP as of April 1, 2010, while continuing to maintain a one-third voting interest along with AMC and Cinemark. Since the Company determined that it is not the primary beneficiary of DCIP or any of its subsidiaries, it will continue to account for its investment in DCIP under the equity method of accounting. The Company s investment in DCIP is included as a component of Other non-current assets in the accompanying unaudited condensed consolidated balance sheets. The changes in the carrying amount of our investment in DCIP for the quarter ended April 1, 2010 are as follows (in millions):

Balance as of December 31, 2009	$	0.7
Equity contributions (1)		42.2
Equity in loss of DCIP(2)		(0.8)
Balance as of April 1, 2010	$	42.1

(1) In addition to a cash investment in DCIP of $0.5 million in January 2010, upon execution of the Digital Cinema Agreements, the Company effected additional equity contributions to DCIP of approximately $41.7 million, consisting of cash and existing digital projection systems.

(2) For the quarters ended April 1, 2010 and April 2, 2009, the Company recorded losses of $0.8 million and $0.6 million, respectively, representing its share of the net loss of DCIP. Such amounts are presented as a component of Other, net in the accompanying unaudited condensed consolidated statements of income.

We expect DCIP to fund the cost of conversion principally through the collection of virtual print fees from motion picture studios and equipment lease payments from participating exhibitors. In accordance with the Master Lease, the digital projection systems are leased from Kasima, LLC under a 12-year term with 10 one-year fair value renewal options. The Master Lease also contains a fair value purchase option. Under the Master Lease, the Company pays annual minimum rent of $1,000 per digital projection system for the first six and half years from the effective date of the agreement and is, upon certain conditions, subject to minimum annual rent of $3,000 per digital projection system beginning at six and half years from the effective date of the agreement through the end of the lease term. The Company is also subject to various types of other rent if such digital projection systems do not meet minimum performance requirements as outlined in the Master Lease. Certain of the other rent payments are subject to either a monthly or an annual maximum. The Company accounts for the Master Lease as an operating lease for accounting purposes.

During the early stage of deployment, the Company expects to focus on an accelerated deployment of 3D compatible digital projection systems to a majority of its first run U.S. theatres. With respect to the Company s existing 35mm projection equipment that is scheduled to be replaced with digital projection systems, the Company has begun to accelerate depreciation on such 35 mm projection equipment over the expected deployment schedule (approximately 3-4 years) since the Company plans to dispose of such equipment prior to the end of their useful lives. To that end, during the quarter ended April 1, 2010, the Company recorded approximately $7.0 million of accelerated depreciation related to such 35mm projection equipment. As of April 1, 2010, we operated 543 screens outfitted with digital projection systems, 527 of which are digital 3D capable.

Investment in National CineMedia, LLC

In March 2005, Regal and AMC announced the combination of the operations of Regal CineMedia Corporation (RCM), and AMC s subsidiary, National Cinema Network, Inc., into a new joint venture company known as National CineMedia. In July 2005, Cinemark, through a wholly owned subsidiary, acquired an interest in National CineMedia. National CineMedia concentrates on in-theatre advertising and creating complementary business lines that leverage the operating personnel, asset and customer bases of its theatrical exhibition partners, which includes us, AMC and Cinemark. National CineMedia is, subject to limited exceptions, the exclusive provider of advertising and event services to Regal, AMC and Cinemark. The Company did not recognize any gain or loss resulting from the initial formation of National CineMedia due to the Company s continued involvement in the operations of National CineMedia. Pursuant to the other documents entered into in connection with the joint venture

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transaction, AMC and Regal, through their subsidiaries, retained all advertising contracts signed on or before the close of business on March 31, 2005, and Cinemark retained all advertising contracts signed on or before the close of business on July 15, 2005, subject to an administrative fee payable to National CineMedia to service such contracts.

On February 13, 2007, NCM, Inc., a newly formed entity that serves as the sole manager of National CineMedia, completed an initial public offering, or IPO, of its common stock. In connection with the IPO of NCM, Inc., RCM, through its wholly owned subsidiary Regal CineMedia Holdings, LLC, AMC and Cinemark amended and restated the operating agreement of National CineMedia and other ancillary agreements. In connection with the series of transactions completed in connection with the IPO, Regal received gross cash proceeds totaling approximately $628.3 million and retained a 22.6% interest in NCM, Inc. After the payment of current taxes, net cash proceeds from these transactions totaled approximately $447.4 million. The Company used a portion of the net cash proceeds to fund an extraordinary cash dividend of $2.00 per share on each outstanding share of its Class A and Class B common stock, including outstanding restricted stock, or approximately $302.0 million in the aggregate. Stockholders of record at the close of business on March 28, 2007 were paid this $302.0 million dividend on April 13, 2007. As a result of the transactions completed in connection with the IPO, the Company recognized a gain of approximately $350.7 million during fiscal 2007.

In connection with the IPO, the joint venture partners entered into a Common Unit Adjustment Agreement with National CineMedia. The Common Unit Adjustment Agreement was created to account for changes in the number of theatre screens operated by each of the joint venture partners. Pursuant to our Common Unit Adjustment Agreement, from time to time, common units of National CineMedia held by the joint venture partners will be adjusted up or down through a formula (common unit adjustment) primarily based on increases or decreases in the number of theatre screens operated and theatre attendance generated by each joint venture partner. The common unit adjustment is computed annually, except that an earlier common unit adjustment will occur for a joint venture partner if its acquisition or disposition of theatres, in a single transaction or cumulatively since the most recent common unit adjustment, will cause a change of two percent or more in the total annual attendance of all of the joint venture partners. The formation of National CineMedia, related IPO of NCM, Inc. and other related transactions are further described in Note 4 to the 2009 Audited Consolidated Financial Statements.

We account for our investment in National CineMedia following the equity method of accounting and such investment is included as a component of Other non-current assets in the accompanying unaudited condensed consolidated balance sheets. The changes in the carrying amount of our investment in National CineMedia for the quarter ended April 1, 2010 are as follows (in millions):

Balance as of December 31, 2009	$	79.1
Receipt of common units(1)		5.9
Equity in earnings attributable to common units(2)		0.6
Earnings recognized from National CineMedia(3)		16.1
Distributions received from National CineMedia(3)		(19.4)
Balance as of April 1, 2010	$	82.3

(1) As a result of the annual adjustment provisions of the Common Unit Adjustment Agreement, on March 17, 2010, we received from National CineMedia approximately 0.3 million newly issued common units of National CineMedia. This adjustment increased the number of National CineMedia common units held by us to approximately 25.8 million and as a result, on a fully diluted basis, we own a 24.8% interest in NCM, Inc. as of April 1, 2010. The Company recorded the additional units at fair value using the available closing stock price of NCM, Inc. on March 17, 2010. Since the additional common units received do not represent the funding of prior losses of National CineMedia, the fair value of such units were recorded as a separate investment tranche in National CineMedia. As a result of these adjustments, the Company recorded an increase of $5.9 million to its investment in National CineMedia during the quarter ended April 1, 2010. With respect to the common units received on March 17, 2010, the Company recorded a corresponding $5.9 million increase to deferred revenue. This amount is being amortized to advertising revenue over the remaining term of the exhibitor services agreement (ESA) following the units of

revenue method.

(2) Since the additional common units received represent separate investment tranches in National CineMedia, any undistributed equity in the earnings of National CineMedia pertaining to these tranches will be recognized under the equity method of accounting. As a result, the Company s share in the net income of National

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CineMedia with respect to these tranches totaled $0.6 million during the quarter ended April 1, 2010. The Company s share in the net income of National CineMedia with respect to these tranches totaled less than $0.1 million during the quarter April 2, 2009. Such amounts have been included as a component of Earnings recognized from NCM in the accompanying unaudited condensed consolidated statements of income.

(3) During the quarter ended April 1, 2010, the Company received $19.4 million in cash distributions from National CineMedia. Approximately $3.3 million of these cash distributions received during the quarter ended April 1, 2010 were attributable to the receipt of additional common units pursuant to the Common Unit Adjustment Agreement and were recognized as a reduction in our investment in National CineMedia. During the quarter ended April 2, 2009, the Company received $12.4 million in cash distributions from National CineMedia. Approximately $1.8 million of these cash distributions received during the quarter ended April 2, 2009 were recognized as a reduction in our investment in National CineMedia. The remaining amounts were recognized in equity earnings during each of these periods and have been included as component of Earnings recognized from NCM in the accompanying unaudited condensed consolidated statements of income.

As a result of the amendment to the ESA and related modification payment, the Company recognizes various types of other revenue from National CineMedia, including per patron and per digital screen theatre access fees, net of payments for on-screen advertising time provided to our beverage concessionaire, other NCM revenue and amortization of upfront ESA modification fees utilizing the units of revenue amortization method. These revenues are presented as a component of other operating revenues in the Company s financial statements and consist of the following amounts (in millions):

	Quarter Ended April 1, 2010	Quarter Ended April 2, 2009
Theatre access fees per patron	$ 3.7	$ 3.8
Theatre access fees per digital screen	1.4	1.3
Other NCM revenue	0.6	0.7
Amortization of ESA modification fees	1.1	0.9
Payments for beverage concessionaire advertising	(3.7)	(3.5)
Total	$ 3.1	$ 3.2

As of April 1, 2010, approximately $2.0 million and $1.9 million due from/to National CineMedia were included in Trade and other receivables, net and Accounts payable, respectively. As of December 31, 2009, approximately $2.1 million due from/to National CineMedia were included in both Trade and other receivables, net and Accounts payable.

Summarized unaudited condensed consolidated statement of income information for National CineMedia for the quarters ended December 31, 2009 and January 1, 2009 is as follows (in millions):

	Quarter Ended December 31, 2009	Quarter Ended January 1, 2009
Revenues	$ 118.5	$ 112.4
Income from operations	59.7	58.6
Net income	50.8	17.4

Summarized unaudited consolidated balance sheet information for National CineMedia as of December 31, 2009 and January 1, 2009 is as follows (in millions):

	December 31, 2009	January 1, 2009
Current assets	$ 128.9	$ 128.2
Noncurrent assets	175.5	151.7
Total assets	304.4	279.9
Current liabilities	90.1	74.3
Noncurrent liabilities	853.9	891.2
Total liabilities	944.0	965.5
Members deficit	(639.6)	(685.6)
Liabilities and members deficit	304.4	279.9

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As of the date of this quarterly report on Form 10-Q (this Form 10-Q), no summarized financial information for National CineMedia was available for the quarter ended April 1, 2010.

3. DEBT OBLIGATIONS

Debt obligations at April 1, 2010 and December 31, 2009 consist of the following (in millions):

	April 1, 2010	December 31, 2009
Regal Cinemas 85/8% Senior Notes, net of debt discount	$ 391.0	$ 390.7
Regal 6¼% Convertible Senior Notes, net of debt discount	195.7	194.6
Regal Cinemas Amended Senior Credit Facility	1,262.1	1,265.4
Regal Cinemas 93/8% Senior Subordinated Notes	51.5	51.5
Lease financing arrangements, weighted average interest rate of 11.22%, maturing in various installments through January 2021	76.0	77.2
Capital lease obligations, 8.5% to 10.3%, maturing in various installments through December 2017	16.3	17.3
Other	0.3	0.4
Total debt obligations	1,992.9	1,997.1
Less current portion	216.3	17.1
Total debt obligations, less current portion	$ 1,776.6	$ 1,980.0

Regal Cinemas 85/8% Senior Notes On July 15, 2009, Regal Cinemas issued $400.0 million in aggregate principal amount of the 85/8% Senior Notes at a price equal to 97.561% of their face value in a transaction exempt from registration under the Securities Act. Interest on the 85/8% Senior Notes is payable semi-annually in arrears on July 15 and January 15 of each year, beginning on January 15, 2010. The 85/8% Senior Notes will mature on July 15, 2019.

The net proceeds from the offering, after deducting the initial purchase discount (approximately $9.8 million) and offering expenses paid by the Company, were approximately $381.3 million. The Company used all of the net proceeds of the offering to repay a portion of the Amended Senior Credit Facility as described further below.

The 85/8% Senior Notes are Regal Cinemas general senior unsecured obligations and rank equally in right of payment with all of its existing and future senior unsecured indebtedness; and senior in right of payment to all of Regal Cinemas existing and future subordinated indebtedness, including the existing Regal Cinemas 93/8% Senior Subordinated Notes (the Senior Subordinated Notes). The 85/8% Senior Notes are effectively subordinated to all of Regal Cinemas existing and future secured indebtedness, including all borrowings under the Amended Senior Credit Facility, to the extent of the value of the collateral securing such indebtedness, and are structurally subordinated to all existing and future indebtedness and other liabilities of any of Regal Cinemas subsidiaries that are not guarantors of the 85/8% Senior Notes.

The 85/8% Senior Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by Regal and all of Regal Cinemas existing and future domestic restricted subsidiaries that guarantee its other indebtedness (collectively, with Regal, the Guarantors). The guarantees of the 85/8% Senior Notes are the Guarantors general senior unsecured obligations and rank equally in right of payment with all of the Guarantors existing and future senior unsecured indebtedness, including Regal s 6¼% Convertible Senior Notes, and rank senior in right of payment to all of the Guarantors existing and future subordinated indebtedness, including the guarantees of the Senior Subordinated Notes. The 85/8% Senior Notes are effectively subordinated to all of the Guarantors existing and future secured indebtedness, including the guarantees under the Amended Senior Credit Facility, to the extent of the value of the collateral securing such indebtedness, and are structurally subordinated to all existing and future indebtedness and other liabilities of any of the Guarantors subsidiaries that is not a guarantor of the 85/8% Senior Notes.

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Regal 6¼% Convertible Senior Notes On March 10, 2008, Regal issued $200.0 million aggregate principal amount of the 6¼% Convertible Senior Notes due March 15, 2011 (the 6¼% Convertible Senior Notes). Interest on the 6¼% Convertible Senior Notes is payable semi-annually in arrears on March 15 and September 15 of each year, beginning September 15, 2008. The 6¼% Convertible Senior Notes are senior unsecured obligations of Regal and rank on parity with all of our existing and future senior unsecured indebtedness and prior to all of our subordinated indebtedness. The 6¼% Convertible Senior Notes are effectively subordinated to all of our future secured indebtedness to the extent of the assets securing that indebtedness and to any indebtedness and other liabilities of our subsidiaries. None of our subsidiaries have guaranteed any of our obligations with respect to the 6¼% Convertible Senior Notes. On or after December 15, 2010, note holders will have the option to convert their 6¼% Convertible Senior Notes, in whole or in part, into shares of our Class A common stock at any time prior to maturity, subject to certain limitations, unless previously purchased by us at the note holder s option upon a fundamental change (as defined in the indenture to the 6¼% Convertible Senior Notes dated March 10, 2008), at the then-existing conversion price per share. Prior to December 15, 2010, note holders have the right, at their option, to convert their 6¼% Convertible Senior Notes, in whole or in part, into shares of our Class A common stock, subject to certain limitations, unless previously purchased by us at the note holder s option upon a fundamental change, at the then existing conversion price per share, subject to further adjustments described below, if:

- during any calen