REGAL ENTERTAINMENT GROUP
Form 10-K
March 02, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended January 1, 2015
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 Number)
7132 Regal Lane Knoxville, TN (Address of Principal Executive Offices)	37918 (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, $.001 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No ¨
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No ý
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 ý 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 ý No ¨
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K: ý
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 ý Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ¨

(Do not check if a
smaller reporting company)

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 26, 2014, computed by reference to the price at which the registrant's Class A common stock was last sold on the New York Stock Exchange on such date was $1,699,960,104 (79,922,901 shares at a closing price per share of $21.27).

Shares of Class A common stock outstanding—132,793,216 shares at February 23, 2015
Shares of Class B common stock outstanding—23,708,639 shares at February 23, 2015

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's definitive proxy statement on Schedule 14A to be used in connection with its 2015 Annual Meeting of Stockholders and to be filed within 120 days after January 1, 2015 are incorporated by reference into Part III, Items 10-14, of this report on Form 10-K.

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REGAL ENTERTAINMENT GROUP

PART I

The information in this Annual Report on Form 10-K (this "Form 10-K") contains certain forward-looking statements, including statements related to trends in the Company's business. The Company's actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause such a difference include those discussed in "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as those discussed elsewhere in this Form 10-K.

Item 1. BUSINESS.

THE COMPANY

Regal Entertainment Group, a Delaware corporation organized on March 6, 2002 ("we," "us," "our," the "Company" or "Regal"), is the parent company of Regal Entertainment Holdings, Inc. ("REH"), which is the 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"), Regal CineMedia Corporation ("RCM") and United Artists Theatre Company ("United Artists"). The terms Regal or the Company, REH, Regal Cinemas, RCI, Edwards, RCM 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. Our Internet address is www.regmovies.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to these reports, are available free of charge on our Internet website under the heading "Investor Relations" as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (the "Commission"). The contents of our Internet website are not incorporated into this report.

The Company manages its business under one reportable segment: theatre exhibition operations.

DESCRIPTION OF BUSINESS

Overview

We operate the largest and most geographically diverse theatre circuit in the United States, consisting of 7,367 screens in 574 theatres in 42 states along with Guam, Saipan, American Samoa and the District of Columbia as of January 1, 2015, with approximately 220 million attendees for the fifty-three week fiscal year ended January 1, 2015 ("fiscal 2014"). Our geographically diverse circuit includes theatres in 46 of the top 50 U.S. designated market areas. We operate multi-screen theatres and, as of January 1, 2015, had an average of 12.8 screens per location, which is well above the North American motion picture exhibition industry average. We develop, acquire and operate multi-screen theatres primarily in mid-sized metropolitan markets and suburban growth areas of larger metropolitan markets throughout the United States.

For fiscal 2014 and prior periods, the Company's fiscal year ended on the first Thursday after December 25, which in certain years (such as fiscal 2014) resulted in a 53-week fiscal year. On August 27, 2014, the Company's Board of Directors approved a change in the Company’s fiscal year from a 52-53 week fiscal year ending on the first Thursday after December 25 of each year to a fiscal year ending on December 31 of each year, effective with the fiscal year commencing January 2, 2015. Beginning January 2, 2015, the Company’s quarterly results will be for three month periods ending March 31, June 30, September 30 and December 31 of each year.

For fiscal 2014, we reported total revenues, income from operations and net income attributable to controlling interest of $2,990.1 million, $306.4 million and $105.6 million, respectively. In addition, we generated $349.1 million of cash flows from operating activities during fiscal 2014.

Business Strategy

Our business strategy is predicated on our ability to allocate capital effectively to enhance value for our stockholders. This strategy focuses on enhancing our position in the motion picture exhibition industry by distributing value to our stockholders, capitalizing on prudent industry consolidation and partnership opportunities, managing, expanding and upgrading our existing asset base with new technologies and customer amenities and realizing selective growth opportunities through new theatre construction. Our business strategy should enable us to continue to produce the free cash flow necessary to maintain a prudent allocation of our capital among dividend payments, debt service and repayment and investment in our theatre assets, all to provide meaningful value to our stockholders. Key elements of our business strategy include:

Maximizing Stockholder Value. We believe that our cash dividends are an efficient means of distributing value to our stockholders. From our initial public offering ("IPO") in May 2002 through January 1, 2015, we have returned approximately $4.0 billion to our stockholders in the form of quarterly and extraordinary cash dividends, including a recent extraordinary cash

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dividend of $1.00 per share of Class A and Class B common stock (approximately $156.2 million in the aggregate) paid on December 15, 2014.

On October 27, 2014, the Company announced that its Board of Directors authorized the exploration of strategic alternatives to enhance stockholder value, which included a potential sale of the Company. On January 15, 2015, the Company announced that its Board of Directors, in the course of its examination of strategic alternatives and with the advice of Morgan Stanley & Co. LLC after a thorough market review, has determined that a sale of the Company would not be in the best interest of its stockholders at such time. The Company's Board of Directors, consistent with its fiduciary duties, remains committed to evaluating any alternatives that would enhance stockholder value.

Pursuing Strategic Acquisitions and Partnerships.   We believe that our acquisition experience and capital structure position us well to take advantage of future acquisition opportunities and to participate in various partnership initiatives. We intend to selectively pursue accretive theatre acquisitions and theatre-related investments that enhance and more fully utilize our asset base to improve our consolidated operating results and free cash flow.

For example, during fiscal 2012 and 2013, we completed the acquisitions of Hollywood Theaters and Great Escape Theatres, whereby we acquired a total of 68 theatres with 814 screens for an aggregate net cash purchase price of $284.1 million. The acquisitions enhanced the Company’s presence in 16 states and 3 U.S. territories. See Note 3 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K for further discussion of these acquisitions.

With respect to partnership initiatives, we own approximately 20.1% of National CineMedia, LLC ("National CineMedia" or "NCM") as of January 1, 2015. National CineMedia operates the largest digital in-theatre advertising network in North America and concentrates on in-theatre advertising for its theatrical exhibition partners, which includes us, AMC Entertainment, Inc. ("AMC"), and Cinemark, Inc. ("Cinemark"). See "National CineMedia Joint Venture" under Part I, Item I of this Form 10-K for further discussion of National CineMedia. We also participate in other joint ventures such as Digital Cinema Implementation Partners, LLC, Open Road Films and AC JV, LLC, which are also further discussed under Part I, Item I of this Form 10-K. Finally, the Company is a party to a joint venture with certain exhibitors and distributors called Digital Cinema Distribution Coalition ("DCDC"). DCDC has established a satellite distribution network that distributes digital content to theatres via satellite. We believe our investment in National CineMedia and other joint venture arrangements generate incremental value for our stockholders.

Pursuing Premium Experience Opportunities.   We intend to continue to embrace innovative concepts that generate incremental revenue and cash flows for the Company and deliver a premium movie-going experience for our customers on several complementary fronts:

- First, we intend to continue our focus on improving customer amenities, including the installation of luxury reclining seats, and experimentation with various other customer engagement and marketing initiatives aimed at increasing attendance and enhancing the overall customer experience. With respect to our luxury reclining seating initiative, as of January 1, 2015, we offered luxury reclining seating in 336 auditoriums at 32 select theatre locations. Based on promising initial results, we expect to offer luxury reclining seating in approximately 40 additional locations by the end of fiscal 2015. The costs of these conversions in some cases are partially covered by investments from our theatre landlords.
- Second, to continually address consumer trends and customer preferences, we have focused on expanding our menu of food and alcoholic beverage products. We believe that the enhancement of our food and alcoholic beverage offerings has had a positive effect on our operating results and we expect to continue to invest in such offerings in our theatres. As of January 1, 2015, we offered an expanded menu of food and/or alcoholic beverage items in 159 locations. By the end of fiscal 2015, we expect to offer an expanded menu of food in approximately 180 locations and alcoholic beverages in approximately 130 locations. In addition, as of January 1, 2015, we have successfully launched seven Cinebarre locations which offer patrons the convenience of a variety of lunch and dinner menu options, including beer and wine, served at the customer's seat before and during the featured film.
- Third, we believe that our IMAX® digital projection systems and our proprietary large screen format, RPX[SM] offer our patrons all-digital, large format premium experiences and generate incremental revenue and cash flows for the

Company. As of January 1, 2015, our IMAX® footprint consisted of a total of 86 IMAX® screens and we also operated a total of 86 RPX^{SM} screens. We have been encouraged by the operating results of our IMAX® and RPX^{SM} screens and to that end, we intend to install additional IMAX® digital projection systems and RPX^{SM} screens during fiscal 2015.

• Finally, we maintain a frequent moviegoer loyalty program, named the Regal Crown Club®, to actively engage our core customers. Regal Crown Club® members are eligible for specified awards, such as concession items, based on purchases made at our participating theatres. As of January 1, 2015, we had over 13 million active

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members in the Regal Crown Club®, making it the largest loyalty program in our industry, and these members accounted for approximately $1.0 billion of the Company's box office and concession revenues during fiscal 2014. In addition, our mobile ticketing application designed to give customers quick access to box office information via their Apple iPhone® or Android™ phone, has been downloaded approximately 2.5 million times since its fiscal 2012 launch. The application provides customers the ability to find films, movie information, showtimes and special offers from Regal (including Regal Crown Club® loyalty program promotions) and the ability to purchase tickets for local theatres, thereby expediting the admissions process.

We believe the experimentation with customer amenities and engagement initiatives, the broadening of our food and alcoholic beverage offerings, coupled with the product-driven success of our IMAX® screens and growing portfolio of RPX℠ screens, allow us to deliver a premium movie-going experience for substantially all of our customers. We believe this strategy will enable us to differentiate our services in certain markets and build brand loyalty, which we believe will provide us the opportunity for incremental revenue and cash flows.

Pursuing Selective Growth Opportunities and Active Asset Management. We intend to selectively pursue expansion opportunities through new theatre construction and acquisitions that meet our strategic and financial return criteria. Additionally, we manage our asset base by opportunistically closing underperforming theatres. To that end, during fiscal 2014, we continued to actively manage our asset base by opening nine new theatres with 98 screens and closing 15 theatres with 125 screens, ending the year with 574 theatres and 7,367 screens.

In summary, we believe our business strategy should enable us to continue to produce the free cash flow necessary to maintain a prudent allocation of our capital among dividend payments, debt service and repayment and investment in our theatres assets, all to provide meaningful value to our stockholders.

Competitive Strengths

We believe that the following competitive strengths position us to capitalize on future opportunities:

Industry Leader. We are the largest domestic motion picture exhibitor operating 7,367 screens in 574 theatres in 42 states along with Guam, Saipan, American Samoa and the District of Columbia. We believe that the quality and size of our theatre circuit is a significant competitive advantage for negotiating attractive national contracts and generating economies of scale. We believe that our market leadership allows us to capitalize on favorable attendance trends and attractive consolidation and partnership opportunities.

Superior Management Drives Strong Operating Margins. Our operating philosophy focuses on efficient operations and strict cost controls at both the corporate and theatre levels. At the corporate level, we are able to capitalize on our size and operational expertise to achieve economies of scale in purchasing and marketing functions. We have developed an efficient purchasing and distribution supply chain that generates favorable concession margins. At the theatre level, management devotes significant attention to cost controls through the use of financial data analysis, detailed management reports and performance-based compensation programs to encourage theatre managers to deliver a premium customer experience while effectively controlling costs and maximizing free cash flow.

Proven Acquisition and Integration Expertise. We have significant experience identifying, completing and integrating acquisitions of theatre circuits. Since our 2002 IPO, we have demonstrated our ability to enhance revenues and realize operating efficiencies through the successful acquisition and integration of nine theatre circuits, consisting of 225 theatres and 2,622 screens. We have generally achieved immediate cost savings at acquired theatres and improved their profitability through the application of our consolidated operating functions and key supplier contracts.

Quality Theatre Portfolio. We believe that we operate one of the most modern theatre circuits among major motion picture exhibitors. As of January 1, 2015, approximately 78% of our locations featured stadium seating and approximately 79% of our theatres had 10 or more screens. In addition, approximately 42% of our locations featured one or more premium amenity offerings as of January 1, 2015. Our theatres have an average of 12.8 screens per location, which is well above the North American motion picture exhibition industry average. We believe that our modern theatre portfolio coupled with our operating margins should allow us to generate significant cash flows from operations.

Dividend Policy

We believe that paying dividends on our shares of common stock is important to our stockholders. To that end, during fiscal 2014, we paid to our stockholders four quarterly cash dividends of $0.22 per share on each outstanding share of our Class A and Class B common stock, or approximately $138.6 million in the aggregate. In addition, on December 15, 2014, we paid an extraordinary cash dividend of $1.00 per share on each outstanding share of our Class A and Class B common stock, or approximately $156.2 million. Further, on February 12, 2015, we declared a cash dividend of $0.22 per share on each outstanding share of Class A and Class B common stock. The dividend is payable on March 13, 2015 to our stockholders of record on March 3, 2015. These dividends have been or will be funded through cash flow from operations and available cash

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on hand. We, at the discretion of our Board of Directors and subject to applicable law, anticipate paying regular quarterly dividends on our Class A and Class B common stock for the foreseeable future. The amount, if any, of the dividends to be paid in the future will depend upon our then available cash, anticipated cash needs, overall financial condition, loan agreement restrictions, future prospects for earnings and cash flows, as well as other relevant factors. Dividends are considered quarterly and may be paid only when, and in such amounts as, approved by our Board of Directors.

INDUSTRY OVERVIEW AND TRENDS

The domestic motion picture exhibition industry is a mature business that has historically maintained steady long-term growth in revenues and attendance. Since 1965, total box office revenues have grown at a compound annual growth rate of approximately 5% with annual attendance of approximately 1.3 billion attendees in 2014. Against this background of steady long-term growth in revenues and attendance, the exhibition industry has experienced periodic short-term increases and decreases in attendance and in turn box office revenues. Consequently, we expect the cyclical nature of the domestic motion picture exhibition industry to continue for the foreseeable future. However, we believe that long-term trends in motion picture attendance in the U.S. will continue to benefit the domestic motion picture exhibition industry. For example, even during the most recent recessionary period, attendance levels remained stable.

Through the years, the domestic motion picture exhibition industry has experienced increased competition from other methods of delivering content to consumers, including network and syndicated television, cable and satellite television services, in-home video and DVD and pay-per-view services such as video on demand, digital downloads and streaming via the Internet. Traditionally, when motion picture distributors license their films to the domestic exhibition industry, they refrain from licensing their products to other delivery channels for a period of time, commonly called the theatrical release window. Over the past several years, the average period between a film's theatrical release and its in-home video or DVD release has contracted slightly to approximately three to four months. We believe that a material contraction of the theatrical release window could significantly dilute the consumer appeal of the out-of-home motion picture offering. As a result, we continue to monitor the status of the theatrical release window during our film licensing decisions. Fundamentally, we believe that movie-going is a convenient, affordable and attractively priced form of out-of-home entertainment, which, on an average price per patron basis, continues to compare favorably to other out-of-home entertainment alternatives, such as concerts and sporting events.

Finally, the domestic motion picture exhibition industry is in the process of experimenting with and implementing various initiatives, concepts and customer amenities aimed at delivering a premium movie-going experience for its customers in order to differentiate services and build brand loyalty, which we believe will provide us the opportunity for incremental revenue and cash flows. These initiatives include reserved seating and luxury reclining seating, broadening food and beverage offerings, in-theatre dining and bar service, the enhancement of loyalty programs and other customer engagement initiatives such as mobile ticketing applications, internet ticketing, social media and other marketing initiatives. In addition, we believe the benefits associated with premium motion picture formats are significant for our industry and provide us with the opportunity for incremental revenue from formats such as IMAX® and our proprietary large screen format, RPX℠. Finally, we believe that operating a digital theatre circuit provides greater flexibility in scheduling our programming content, which has enhanced our capacity utilization, and enables us to generate incremental revenue from differentiated motion picture formats, such as digital 3D, and the exhibition of specialty content offerings through certain distributors of specialty content, such as AC JV, LLC. We are optimistic that these and other recent industry initiatives and trends will drive continued growth and strength for the domestic motion picture industry.

THEATRE OPERATIONS

We operate the largest theatre circuit in the United States with 7,367 screens in 574 theatres in 42 states along with Guam, Saipan, American Samoa and the District of Columbia as of January 1, 2015. We operate theatres in 46 of the top 50 U.S. designated market areas, which include locations in suburban growth areas. We target prime locations with excellent access to large, high patron-traffic areas. We operate our theatre circuit using our Regal Cinemas, United Artists, Edwards, Great Escape Theatres and Hollywood Theaters brands through our wholly owned subsidiaries.

We operate multi-screen theatres. Our multi-screen theatre complexes typically contain 10 to 18 screens, each with auditoriums ranging from 100 to 500 seats. As a result, our theatres appeal to a diverse group of patrons because we offer a wide selection of films and convenient show times. In addition, many of our theatres feature state-of-the-art amenities such as immersive wall-to-wall and floor-to-ceiling screens, Sony Digital Cinema™ 4K projection systems, 3D digital projection systems, digital stereo surround-sound, closed-captioning, multi-station concessions stands, computerized ticketing systems, plush stadium seating with cup holders and retractable armrests and enhanced interiors featuring video game and party room areas adjacent to the theatre lobby. In addition, we have recently begun a strategic initiative to install luxury reclining seating at select locations in certain of our key markets. As of January 1, 2015, we offered luxury reclining seating in 336 auditoriums at 32 select theatre locations. Based on promising initial results, we expect to offer luxury reclining seating in approximately

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40 additional locations by the end of fiscal 2015. The costs of these conversions in some cases are partially covered by investments from our theatre landlords.

Our modern, multi-screen theatres are designed to increase profitability by optimizing revenues per square foot while reducing our operational costs on a per attendee basis. We vary auditorium seating capacities within the same theatre, allowing us to exhibit films on a more cost effective basis for a longer period of time by shifting films to smaller auditoriums to meet changing attendance levels. In addition, we realize significant operating efficiencies by having common box office, concessions, projection, lobby and restroom facilities, which enables us to spread some of our costs, such as payroll, advertising, rent and utility costs over a higher revenue base. We strategically schedule movie show times to reduce staffing requirements and box office and concession line congestion and to provide more desirable parking and traffic flow patterns. We also actively monitor ticket sales in order to quickly recognize demand surges, which enables us to add seating capacity quickly and efficiently. In addition, we offer various forms of convenient ticketing methods, including print-at-home technology, self-serve kiosks, e-gift cards and mobile ticketing.

We believe that operating a theatre circuit consisting primarily of modern theatres enhances our ability to attract patrons and believe theatres larger than the current 10 to 18 screen megaplex are not able to generate attractive returns in most locations because of the substantial market suitability requirements to generate a level of profitability similar to the current megaplex format.

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The following table details the number of locations and theatre screens in our theatre circuit ranked by the number of screens in each state along with Guam, Saipan, American Samoa and the District of Columbia as of January 1, 2015:

State/District	Locations	Number of Screens
California	87	1,054
Florida	48	709
New York	46	559
Virginia	32	441
Washington	32	361
Texas	29	407
Pennsylvania	24	319
North Carolina	22	269
Ohio	21	299
Oregon	20	214
South Carolina	17	230
Georgia	16	251
Maryland	15	206
Tennessee	13	179
Colorado	13	162
Indiana	12	145
Illinois	11	148
Nevada	11	141
New Jersey	10	142
Massachusetts	10	118
Missouri	8	114
Hawaii	7	72
Mississippi	7	56
Idaho	5	73
Kentucky	5	60
New Mexico	5	60
Connecticut	5	57
Louisiana	5	53
Alaska	5	52
West Virginia	4	46
Alabama	3	52
Kansas	3	34
Oklahoma	3	34
New Hampshire	3	33
Minnesota	2	36
Delaware	2	33
Michigan	2	26
Arkansas	2	24
Maine	2	20
Nebraska	1	16
Arizona	1	14
Guam	1	14
District of Columbia	1	14
Montana	1	11

Saipan	1	7
American Samoa	1	2
Total	574	7,367

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We have implemented a best practices management program across all of our theatres, including daily, weekly, monthly and quarterly management reports generated for each individual theatre and we maintain active communication between the theatres, divisional management and corporate management. We use these management reports and communications to closely monitor admissions and concessions revenues as well as accounting, payroll and workforce information necessary to manage our theatre operations effectively and efficiently.

We seek experienced theatre managers and require new theatre managers to complete a comprehensive training program within the theatres and at the "Regal Entertainment University," which is held at our corporate office. The program is designed to encompass all phases of theatre operations, including our operating philosophy, policies, procedures and standards. In addition, we have an incentive compensation program for theatre-level management that rewards theatre managers for controlling operating expenses while complying with our operating standards.

In addition, we have implemented quality assurance programs in all of our theatres to maintain clean, comfortable and modern facilities and monitor food service. To maintain quality and consistency within our theatre circuit, district and regional managers and various contractual service partners regularly inspect each theatre and provide recurring feedback. In addition, we consistently solicit feedback from our patrons through an on-line guest experience program whereby our guests rank and provide detailed comments and experiences for each of our theatres. Finally, we also conduct a "mystery shopper" program, which involves unannounced visits by unidentified customers who report on the quality of service, film presentation and cleanliness at individual theatres.

NATIONAL CINEMEDIA JOINT VENTURE

We maintain an investment in National CineMedia, which operates the largest digital in-theatre advertising network in North America representing over 20,100 U.S. theatres screens (of which approximately 19,200 are part of National CineMedia's digital content network) as of January 1, 2015. During 2014, over 700 million patrons attended movies shown in theatres in which National CineMedia currently has exclusive cinema advertising agreements in place. National CineMedia concentrates on in-theatre advertising for its theatrical exhibition partners, which includes us, AMC and Cinemark. As described further in Note 4 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K, on February 13, 2007, National CineMedia, Inc. ("NCM, Inc."), which serves as the sole manager of National CineMedia, completed an IPO of its common stock. In connection with the IPO of NCM, Inc., RCM, through its wholly owned subsidiary Regal CineMedia Holdings, LLC ("RCH"), AMC and Cinemark amended and restated the operating agreement of National CineMedia and other ancillary agreements. As a result of these agreements, we receive theatre access fees and mandatory distributions of excess cash from National CineMedia. Subsequent to the IPO of NCM, Inc. and through January 1, 2015, the Company received from National CineMedia approximately 11.2 million newly issued common units of National CineMedia as a result of the adjustment provisions of the Common Unit Adjustment Agreement. These transactions, partially offset by the redemption of approximately 6.6 million of our National CineMedia common units for a like number of shares of NCM, Inc. common stock, which we sold in underwritten public offerings during fiscal 2010 and fiscal 2013, caused a net increase in the Company's ownership share in National CineMedia to 25.8 million common units. As a result, on a fully diluted basis, we own a 20.1% interest in NCM, Inc. as of January 1, 2015.

During fiscal 2013, National CineMedia sold its "Fathom Events" business to AC JV, LLC (“AC JV”), a newly-formed Delaware limited liability company owned 32% by each of RCI, AMC and Cinemark and 4% by National CineMedia. The Fathom Events business focuses on the marketing and distribution of live and pre-recorded entertainment programming to various theatre operators (including us, AMC and Cinemark) to provide additional programs to augment their feature film schedule and includes events such as live and pre-recorded concerts, opera and symphony, DVD product releases and marketing events, theatrical premieres, Broadway plays, live sporting events and other special events. In consideration for the sale, National CineMedia received a total of $25 million in promissory notes from RCI, Cinemark and AMC (one-third or approximately $8.3 million from each). In addition, RCI, AMC and Cinemark each amended and restated its existing exhibitor service agreement with National CineMedia in connection with the sale by National CineMedia of its Fathom Events business.

See Note 4 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K for further discussion of National CineMedia and related transactions, including AC JV.

DIGITAL CINEMA IMPLEMENTATION PARTNERS JOINT VENTURE

We maintain an investment in Digital Cinema Implementation Partners, LLC ("DCIP"), a joint venture company formed by Regal, AMC and Cinemark. DCIP’s initial financing, coupled with a second round of financing completed in March 2011 (which consisted of a new $220.0 million term loan facility), substantially covered the cost of conversion to digital projection for our entire circuit. DCIP funds the cost of conversion to digital projection principally through the collection of virtual print fees from motion picture studios and equipment lease payments from participating exhibitors, including us. The Company effected equity contributions of approximately $3.6 million to DCIP during fiscal 2014, and expects to make additional equity

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contributions in the future. Also during fiscal 2014, the Company received $6.3 million in cash distributions from DCIP as a return on its investment.

The Company holds a 46.7% economic interest in DCIP as of January 1, 2015. As of January 1, 2015, we operated 7,333 screens outfitted with digital projection systems. Please refer to Note 4 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K for further discussion of DCIP.

OPEN ROAD FILMS JOINT VENTURE

We also maintain an investment in Open Road Films, a film distribution company jointly owned by us and AMC. Open Road Films was created to fill a gap in the marketplace created by the major studios' big-budget franchise film strategy by marketing smaller budget films in a cost-effective manner which we believe will drive additional patrons to our theatres and generate a return on our capital investment. Open Road Films distributed seven films during 2014 which generated national box office revenues of approximately $161.3 million, and intends to distribute approximately six to eight films per year. We believe our investment in Open Road Films will generate incremental value for our stockholders. As of January 1, 2015, we have invested $20.0 million in cash in Open Road Films and may invest an additional $10.0 million in this joint venture. The carrying value of the Company's investment in Open Road Films as of January 1, 2015 was $(10.0) million. Please refer to Note 4 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K for further discussion of Open Road Films.

FILM DISTRIBUTION

Domestic movie theatres are the primary initial distribution channel for domestic film releases. The theatrical success of a film is often the most important factor in establishing its value in other film distribution channels. Motion pictures are generally made available through several alternative distribution methods after the theatrical release date, including network and syndicated television, cable and satellite television services, in-home video and DVD and pay-per-view services such as video on demand, digital downloads and streaming via the Internet. A strong opening run at the theatre often establishes a film's success and substantiates the film's revenue potential. For example, the revenue streams of home video, DVD and pay cable distribution agreements often contractually depend on the success of a film's theatrical release. As the primary distribution mechanism for the public's evaluation of films, we believe that domestic theatrical distribution remains the cornerstone of a film's overall financial success.

The development of additional distribution channels has given motion picture producers the ability to generate a greater portion of a film's revenues through channels other than its theatrical release. Historically, this potential for increased revenue after a film's initial theatrical release has enabled major motion picture studios and some independent producers to increase the budgets for film production and advertising.

FILM EXHIBITION

Evaluation of Film. We license films on a film-by-film and theatre-by-theatre basis by negotiating directly with film distributors. Prior to negotiating for a film license, we evaluate the prospects for upcoming films. Criteria we consider for each film may include cast, producer, director, genre, budget, comparative film performances and various other market conditions. Successful licensing depends greatly upon the exhibitor's knowledge of trends and historical film preferences of the residents in markets served by each theatre, as well as the availability of commercially successful motion pictures.

Access to Film Product. Films are licensed from film distributors owned by major production companies and from independent film distributors that distribute films for smaller production companies. Film distributors typically establish geographic licensing zones and allocate each available film to one theatre within that zone.

In licensing zones where we are the sole exhibitor, we obtain film licenses by selecting a film from among those films being offered and negotiating directly with the distributor. In zones where there is competition, a distributor will allocate films among the exhibitors in the zone. When films are licensed under the allocation process, a distributor will select an exhibitor for each film who then negotiates film rental terms directly with the distributor.

Film Rental Fees. Film licenses typically specify rental fees or formulas by which rental fees may be calculated. The majority of our arrangements use a "sliding scale" formula. Under a sliding scale formula, the distributor receives a percentage of the box office receipts using a pre-determined and mutually agreed upon film rental template. This formula establishes film rental predicated on box office performance and is the predominant formula used by us to calculate film rental fees. We have also used a "firm term" formula and a "review or settlement" method. Under the firm term formula, the exhibitor and distributor agree prior to the exhibition of the film on a specified percentage of the box office receipts to be remitted to the distributor. Lastly, under the review or settlement method, the exhibitor and distributor negotiate a percentage of the box office receipts to be remitted to the distributor upon completion of the theatrical engagement. These negotiations typically involve the use of historical settlements or past precedent.

Duration of Film Licenses. The duration of our film licenses are negotiated with our distributors on a case-by-case basis. The terms of our license agreements depend on performance of each film. Marketable movies that are expected to have high box office admission revenues will generally have longer license terms than movies with more uncertain performance and popularity.

Relationship with Distributors. Many distributors provide quality first-run movies to the motion picture exhibition industry. For fiscal 2014, films shown from our ten major film distributors accounted for approximately 95% of our admissions revenues. Six of the ten major film distributors each accounted for more than 10% of fiscal 2014 admission revenues. No single film distributor accounted for more than 20% of fiscal 2014 admissions revenues. We license films from each of the major distributors and believe that our relationships with these distributors are good. From year to year, the revenues attributable to individual distributors will vary widely depending upon the number and popularity of films that each one distributes.

CONCESSIONS

In addition to box office admissions revenues, we generated approximately 27.7% of our total revenues from concessions sales during fiscal 2014. We emphasize prominent and appealing concession stations designed for rapid and efficient service. We continually seek to increase concessions sales by actively managing concession line congestion, optimizing product mix and through expansion of our concession offerings, introducing special promotions from time to time and offering employee training and incentive programs to up-sell and cross-sell products. We have favorable concession supply contracts and have developed an efficient concession purchasing and distribution supply chain. We have historically maintained strong brand relationships and management negotiates directly with these manufacturers for many of our concession items to obtain competitive prices and to ensure adequate supplies.

To continually address consumer trends and customer preferences, we have focused on expanding our menu of food and alcoholic beverage products. We believe that the enhancement of our food and alcoholic beverage offerings has had a positive effect on our operating results and we expect to continue to invest in such offerings in our theatres. As of January 1, 2015, we offered an expanded menu of food and/or alcoholic beverage items in 159 locations. By the end of fiscal 2015, we expect to offer an expanded menu of food in approximately 180 locations and alcoholic beverages in approximately 130 locations. In addition, as of January 1, 2015, we have successfully launched seven Cinebarre locations which offer patrons the convenience of a variety of lunch and dinner menu options, including beer and wine, served at the customer's seat before and during the featured film.

We believe that the enhancement of our food and alcoholic beverage offerings has had a positive effect on our operating results and we expect to continue to invest in such offerings in our theatres.

COMPETITION

The motion picture exhibition industry is highly competitive. Motion picture exhibitors generally compete on the basis of the following competitive factors:

- ability to secure films with favorable licensing terms;
- availability of stadium seating and other customer amenities, location, reputation, seating capacity;
- quality of projection and sound systems;
- appeal of our concession products; and
- ability and willingness to promote the films that are showing.

We have several hundred competitors nationwide that vary substantially in size, from small independent exhibitors to large national chains such as AMC and Cinemark. As a result, our theatres are subject to varying degrees of competition in the regions in which they operate. Our competitors, including newly established motion picture exhibitors, may build new theatres or screens in areas in which we operate, which may result in increased competition and excess capacity in those areas. If this occurs, it may have an adverse effect on our business and results of operations. As the largest motion picture exhibitor, however, we believe that we will be able to generate economies of scale and operating efficiencies that will give us a competitive advantage over many of our competitors. As discussed in "Industry Overview and Trends" under Part I, Item I of this Form 10-K, the domestic motion picture exhibition industry is in the process of experimenting with various initiatives and concepts aimed at delivering a premium movie-going experience for its customers in order to differentiate services and build brand loyalty. We are optimistic that these and other recent industry initiatives and trends will drive continued growth and strength for the domestic motion picture industry. To that end, our market share may be positively or negatively impacted by such initiatives and trends during any given fiscal period.

We also compete with other motion picture distribution channels, including network and syndicated television, in-home video and DVD, cable/satellite and pay-per-view services such as video on demand, digital downloads and streaming via the

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Internet. Other technologies could also have an adverse effect on our business and results of operations. When motion picture distributors license their products to the domestic exhibition industry, they refrain from licensing their motion pictures to these other distribution channels for a period of time, commonly called the theatrical release window. Over the past several years, the theatrical release window has contracted slightly to approximately three to four months. We believe that a material contraction of the theatrical release window could significantly dilute the consumer appeal of the out-of-home motion picture offering. As a result, we continue to monitor the status of the theatrical release window during our film licensing decisions.

In addition, we compete for the public's leisure time and disposable income with other forms of entertainment, including sporting events, concerts, live theatre and restaurants.

MARKETING AND ADVERTISING

Currently, film distributors organize and finance multimedia advertising campaigns for major film releases. To market our theatres, we utilize Internet, mobile and social media, print and multimedia advertising to inform our patrons of film selections and show times. In many of our markets, we employ special interactive marketing programs for specific films and concessions items.

Our frequent moviegoer loyalty program, Regal Crown Club®, is designed to actively engage our core customers and is the largest loyalty program in our industry. Regal Crown Club® members are eligible for specified awards, such as concession items, based on purchases made at our theatres. Through the Regal Crown Club®, we seek to enhance the customer experience and increase frequency of purchases to generate additional revenue. As of January 1, 2015, we had over 13 million active members in the Regal Crown Club®, and these members accounted for approximately $1.0 billion of the Company's box office and concession revenues during fiscal 2014. In addition, we seek to develop patron loyalty through a number of other marketing programs such as summer children's film series, cross-promotional ticket redemptions and promotions within local communities. Our mobile ticketing application designed to give customers quick access to box office information via their Apple iPhone® or Android™ phone, has been downloaded approximately 2.5 million times since its fiscal 2012 launch. The application provides customers the ability to find films, movie information, showtimes and special offers from Regal and the ability to purchase tickets for local theatres, thereby expediting the admissions process. Additionally, the application helps customers stay up-to-date on the latest coupons and Regal Crown Club® loyalty program promotions.

INFORMATION TECHNOLOGY SYSTEMS

Information Technology ("IT") is focused on the customer experience and supporting the efficient operation of our theatres, the management of our business and other revenue-generating opportunities. The revenue streams generated by attendance and concession sales are fully supported by information systems to monitor cash flow and to detect fraud and inventory shrinkage. We have implemented software and hardware solutions which provide for enhanced capabilities and efficiency within our theatre operations. These solutions have enabled us to sell gift cards at various major retailers, grocery and warehouse stores and to redeem those gift cards at our theatre box offices and concession stands. We continue to expand our ability to sell tickets remotely by using our Internet ticketing partner, Fandango.com, and by offering self-service alternatives, such as ticketing kiosks, print-at-home ticketing, and mobile ticketing. Our Apple iPhone® or Android™ phone application provides customers the ability to find films, movie information, showtimes, special offers from Regal and the ability to purchase tickets for local theatres, thereby expediting the admissions process. We continue to strategically pursue technologies to improve services to our patrons and provide information to our management, allowing them to operate our theatres efficiently.

In addition, our scheduling systems support the coordination needed to properly allocate our auditoriums between film showings and meetings and events, while also ensuring that movie audiences view the intended advertising and that revenue is allocated to the appropriate business function. The scheduling systems also provide information electronically and automatically to the media outlets, including newspapers and various online media outlets to drive attendance to our theatres. The sales and attendance information collected by the theatre systems is used directly for film booking and settlement as well as being the primary source of data for our financial systems.

SEASONALITY

Our revenues are usually seasonal, coinciding with the timing of releases of motion pictures by the major distributors. Generally, motion picture studios release the most marketable motion pictures during the summer and the holiday season. The unexpected emergence of a hit film during other periods can alter the traditional trend. The timing of movie releases can have a significant effect on our results of operations, and the results of one fiscal quarter are not necessarily indicative of results for the next fiscal quarter or any other fiscal quarter. The seasonality of motion picture exhibition, however, has become less pronounced as motion picture studios are releasing motion pictures somewhat more evenly throughout the year.

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EMPLOYEES

As of January 1, 2015, we employed approximately 23,168 persons. The Company considers its employee relations to be good.

EXECUTIVE OFFICERS OF THE REGISTRANT

Shown below are the names, ages as of January 1, 2015, and current positions of our executive officers. There are no family relationships between any of the persons listed below, or between any of such persons and any of the directors of the Company or any persons nominated or chosen by the Company to become a director or executive officer of the Company.

Name	Age	Position
Amy E. Miles	48	Chief Executive Officer
Gregory W. Dunn	55	President and Chief Operating Officer
Peter B. Brandow	54	Executive Vice President, General Counsel and Secretary
David H. Ownby	45	Executive Vice President, Chief Financial Officer and Treasurer

Amy E. Miles is our Chief Executive Officer and has served in this capacity since June 2009. Prior thereto, Ms. Miles served as our Executive Vice President, Chief Financial Officer and Treasurer from March 2002 to June 2009. Additionally, Ms. Miles has served as the Chief Executive Officer of Regal Cinemas, Inc. since June 2009. Ms. Miles formerly served as the Executive Vice President, Chief Financial Officer and Treasurer of Regal Cinemas, Inc. from January 2000 to June 2009. Prior thereto, Ms. Miles served as Senior Vice President of Finance from April 1999, when she joined Regal Cinemas, Inc. Prior to joining the Company, Ms. Miles was a Senior Manager with Deloitte & Touche LLP from 1998 to 1999. From 1989 to 1998, she was with PricewaterhouseCoopers LLP.

Gregory W. Dunn is our President and Chief Operating Officer. Mr. Dunn has served as an Executive Vice President and Chief Operating Officer of Regal since March 2002 and became President of Regal in May 2005. Mr. Dunn served as Executive Vice President and Chief Operating Officer of Regal Cinemas, Inc. from 1995 to March 2002. Prior thereto, Mr. Dunn served as Vice President of Marketing and Concessions of Regal Cinemas, Inc. from 1991 to 1995.

Peter B. Brandow is our Executive Vice President, General Counsel and Secretary and has served as such since March 2002. Mr. Brandow has served as the Executive Vice President, General Counsel and Secretary of Regal Cinemas, Inc. since July 2001, and prior to that time he served as Senior Vice President, General Counsel and Secretary of Regal Cinemas, Inc. since February 2000. Prior thereto, Mr. Brandow served as Vice President, General Counsel and Secretary from February 1999 when he joined Regal Cinemas, Inc. From September 1989 to January 1999, Mr. Brandow was an associate with the law firm Simpson Thacher & Bartlett LLP.

David H. Ownby is our Executive Vice President, Chief Financial Officer and Treasurer and has served in this capacity since June 2009. Mr. Ownby also has served as our Chief Accounting Officer since May 2006. Mr. Ownby served as our Senior Vice President of Finance from March 2002 to June 2009. Prior thereto, Mr. Ownby served as the Company's Vice President Finance and Director of Financial Projects from October 1999 to March 2002. Prior to joining the Company, Mr. Ownby served with Ernst & Young LLP from September 1992 to October 1999.

REGULATION

The distribution of motion pictures is in large part regulated by federal and state antitrust laws and has been the subject of numerous antitrust cases. Consent decrees effectively require major film distributors to offer and license films to exhibitors, including us, on a film-by-film and theatre-by-theatre basis. Consequently, exhibitors cannot assure themselves of a supply of films by entering into long-term arrangements with major distributors, but must negotiate for licenses on a film-by-film basis.

Our theatres must comply with Title III of the Americans with Disabilities Act of 1990 (the "ADA") to the extent that such properties are "public accommodations" and/or "commercial facilities" as defined by the 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, award of damages to private litigants and additional capital expenditures to remedy such non-compliance.

We believe that we are in substantial compliance with all current applicable regulations relating to accommodations for the disabled. We intend to comply with future regulations in this regard and except as set forth in Note 8 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K, we do not currently anticipate that compliance will require us to expend substantial funds.

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Our theatre operations are also subject to federal, state and local laws governing such matters as wages, working conditions, citizenship and health and sanitation and environmental protection requirements. We believe that we are in substantial compliance with all relevant laws and regulations.

FORWARD-LOOKING STATEMENTS

Some of the information in this Form 10-K includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts included in this Form 10-K, including, without limitation, certain statements under "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" may constitute forward-looking statements. In some cases you can identify these forward-looking statements by words like "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of those words and other comparable words. These forward-looking statements involve risks and uncertainties. Our actual results could differ materially from those indicated in these statements as a result of certain risk factors as more fully discussed under "Risk Factors" below.

Item 1A. RISK FACTORS.

Investing in our securities involves a significant degree of risk. In addition to the other information contained in this Form 10-K, you should consider the following factors before investing in our securities.

Our substantial lease and debt obligations could impair our financial condition.

We have substantial lease and debt obligations. For fiscal 2014, our total rent expense and net interest expense were approximately $423.4 million and $126.5 million, respectively. As of January 1, 2015, we had total debt obligations of $2,360.2 million. As of January 1, 2015, we had total contractual cash obligations of approximately $6,140.9 million. For a detailed discussion of our contractual cash obligations and other commercial commitments over the next several years, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations—Contractual Cash Obligations and Commitments" provided in Part II, Item 7 of this Form 10-K.

If we are unable to meet our lease and debt service obligations, we could be forced to restructure or refinance our obligations and seek additional equity financing or sell assets. We may be unable to restructure or refinance our obligations and obtain additional equity financing or sell assets on satisfactory terms or at all. As a result, the inability to meet our lease and debt service obligations could cause us to default on those obligations. The agreements governing the terms of our debt obligations contain restrictive covenants that limit our ability to take specific actions (including paying dividends to our stockholders) or require us not to allow specific events to occur and prescribe minimum financial maintenance requirements that we must meet. If we violate those restrictive covenants or fail to meet the minimum financial requirements contained in a debt instrument, we could be in default under that instrument, which could, in turn, result in defaults under other debt instruments. Any such defaults could materially impair our financial condition and liquidity. In addition, we may incur additional indebtedness in the future, subject to the restrictions contained in the agreements governing the terms of our debt obligations. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify.

To service our indebtedness, we will require a significant amount of cash, which depends on many factors beyond our control.

Our ability to make payments on our debt and other financial obligations will depend on the ability of our subsidiaries to generate substantial operating cash flow. This will depend on future performance, which will be subject to prevailing economic conditions and to financial, business and other factors beyond our control. If our and our subsidiaries' cash flows prove inadequate to meet our and their debt service and other obligations in the future, we may be required to refinance all or a portion of our and our subsidiaries' existing or future debt, on or before maturity, to sell assets, to obtain additional financing or suspend the payment of dividends. We cannot assure you that we will be able to refinance any indebtedness, sell any such assets or obtain additional financing on commercially reasonable terms or at all.

We depend on motion picture production and performance and our relationships with film distributors.

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

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The distribution of motion pictures is in large part regulated by federal and state antitrust laws and has been the subject of numerous antitrust cases. Consent decrees resulting from those cases effectively require major motion picture distributors to offer and license films 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. In addition, the film distribution business is highly concentrated, with ten major film distributors accounting for approximately 95% of our admissions revenues during fiscal 2014. Our business depends on maintaining good relations with these distributors. We are dependent on our ability to negotiate commercially favorable licensing terms for first-run films. A deterioration in our relationship with any of the ten major film distributors could affect our ability to negotiate film licenses on favorable terms or our ability to obtain commercially successful films and, therefore, could hurt our business and results of operations.

An increase in the use of alternative film delivery methods may drive down movie theatre attendance and reduce our revenue.

We compete with other movie delivery vehicles, including network and syndicated television, cable and satellite television services, in-home video and DVD and pay-per-view services such as video on demand, digital downloads and streaming via the Internet. When motion picture distributors license their products to the domestic exhibition industry, they refrain from licensing their motion pictures to these other delivery vehicles during the theatrical release window. The average theatrical release window has decreased from approximately six months to approximately three to four months over the last decade. Further, some film studios have experimented with offering consumers a premium video-on-demand option for certain films approximately two months after their theatrical launch. We believe that a material contraction of the current theatrical release window could significantly dilute the consumer appeal of the in-theatre motion picture offering, which could have a material adverse effect on our business and results of operations.

Our theatres operate in a competitive environment.

The motion picture exhibition industry is fragmented and highly competitive with no significant barriers to entry. Theatres operated by national and regional circuits and by small independent exhibitors compete with our theatres, particularly with respect to film licensing, attracting patrons and developing new theatre sites. Moviegoers are generally not brand conscious and usually choose a theatre based on its location, the films showing there and its amenities.

Generally, stadium seating found in modern megaplex theatres is preferred by patrons over slope-floored multiplex theatres, which were the predominant theatre-type built prior to 1996. Although the majority of our locations feature stadium seating, we still serve many markets with sloped-floored multiplex theatres. These theatres may be more vulnerable to competition than our modern megaplex theatres, and should other theatre operators choose to build and operate modern megaplex theatres in these markets, the performance of our theatres in these markets may be significantly and negatively impacted. In addition, should other theatre operators return to the aggressive building strategies undertaken in the late 1990's, our attendance, revenue and income from operations per screen could decline substantially.

Finally, the motion picture exhibition industry continues to experiment with and implement various initiatives, concepts, customer amenities and technological innovations aimed at delivering a premium movie-going experience for its patrons (including, but not limited to, luxury reclining seating, enhancement of food and alcoholic beverage offerings, the installation of premium format screens, digital 3D projection and satellite distribution technologies). While we continue to experiment and implement these initiatives, new innovations will continue to impact our industry. If we are unable to respond to or invest in changes in technology and the preferences of our customers, we may not be able to compete with other exhibitors or other entertainment venues, which could adversely affect our results of operations.

We may not benefit from our strategic acquisition strategy and partnerships.

We may have difficulty identifying suitable acquisition candidates and partnership opportunities. In the case of acquisitions, even if we identify suitable candidates, we anticipate significant competition from other motion picture exhibitors and financial buyers when trying to acquire these candidates, and there can be no assurances that we will be able to acquire such candidates at reasonable prices or on favorable terms. Moreover, some of these possible buyers may be stronger financially than we are. As a result of this competition for limited assets, we may not succeed in acquiring suitable candidates or may have to pay more than we would prefer to make an acquisition. If we cannot identify or successfully acquire suitable acquisition candidates, we may not be able to successfully expand our operations and the market price of our securities could be adversely affected.

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. There can be no assurance, however, 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

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acquisitions. If we cannot generate anticipated cash flows resulting from acquisitions or fail to realize their anticipated benefits, our results of operations and profitability could be adversely affected. Any acquisition may involve operating risks, such as:

- the difficulty of assimilating the acquired operations and personnel and integrating them 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 and landlords;
- the possibility that any liabilities we may incur or assume may prove to be more burdensome than anticipated; and
- the possibility that any acquired theatres or theatre circuit operators do not perform as expected.

We also selectively pursue theatre-related investments and partnership opportunities that enhance and more fully leverage our asset base to improve our consolidated operating results and free cash flow. As of January 1, 2015, we own approximately 20.1% of National CineMedia, and participate in other joint ventures such as DCIP, Open Road Films, AC JV and DCDC. Risks associated with pursuing these investments and opportunities include:

- the difficulties and uncertainties associated with identifying investment and partnership opportunities that will successfully enhance and utilize our existing asset base in a manner that contributes to cost savings and revenue enhancement;
- our inability to exercise complete voting control over the partnerships and joint ventures in which we participate; and
- our partners may have economic or business interests or goals that are inconsistent with ours, exercise their rights in a way that prohibits us from acting in a manner which we would like or they may be unable or unwilling to fulfill their obligations under the joint venture or similar agreements.

Although we have not been materially constrained by our participation in National CineMedia or other joint ventures to date, no assurance can be given that the actions or decisions of other stakeholders in these ventures will not affect our investments in National CineMedia, DCIP, Open Road Films, AC JV and DCDC or other existing or future ventures in a way that hinders our corporate objectives or reduces any anticipated improvements to our operating results and free cash flow.

In addition, any acquisitions or partnership opportunities are subject to the risk that the Antitrust Division of the United States Department of Justice or foreign competition authorities may require us to dispose of existing or acquired theatres in order to complete acquisition and partnership opportunities.

We rely on our information systems to conduct our business, and failure to protect these systems against security breaches could adversely affect our business and results of operations. Additionally, if these systems fail or become unavailable for any significant period of time, our business could be harmed.

The efficient operation of our business is dependent on computer hardware and software systems. Information systems are vulnerable to security breaches by computer hackers, cyber terrorists, employee error or misconduct, viruses, power outages and other catastrophic events, leading to unauthorized disclosure of confidential and proprietary information and exposing us to litigation that could adversely affect our reputation. We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches. In addition, the unavailability of the information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased operating costs, causing our business and results of operations to suffer. Any significant interruption or failure of our information systems or any significant breach of security could adversely affect our business and results of operations.

Economic, political and social conditions could materially affect our business by reducing consumer spending on movie attendance or could have an impact on our business and financial condition in ways that we currently cannot predict.

We depend on consumers voluntarily spending discretionary funds on leisure activities. We also compete for the public's leisure time and disposable income with other forms of entertainment, including sporting events, theme parks, concerts, live theatre and restaurants. Motion picture theatre attendance may be affected by negative trends in the general economy that adversely affect consumer spending. A prolonged reduction in consumer confidence or disposable income in general may affect the demand for motion pictures or severely impact the motion picture production industry, which, in turn, could adversely affect our operations. If economic conditions are weak or deteriorate, or if financial markets experience significant disruption, it could materially adversely affect our results of operations, financial position and/or liquidity. For example, deteriorating conditions in the global credit markets could negatively impact our business partners which may impact film production, the development of new theatres or the enhancement of existing theatres.

Theatre attendance may also be affected by political events, such as terrorist attacks on, or wars or threatened wars involving, the United States, health related epidemics and random acts of violence, any one of which could cause people to avoid our theatres or other public places where large crowds are in attendance. In addition, due to our concentration in certain markets, natural disasters such as hurricanes, earthquakes and severe storms in those markets could adversely affect our overall results of operations.

In addition, our ability to access capital markets may be restricted at times when the implementation of our business strategy may require us to do so, which could have an impact on our flexibility to react to changing economic and business conditions. For example, our future ability to borrow on Regal Cinemas' senior credit facility or the effectiveness of our remaining and future interest rate hedging arrangements could be negatively impacted if one or more counterparties files for bankruptcy protection or otherwise fails to perform their obligations thereunder.

All of these factors could adversely affect our credit ratings, the market price of our Class A common stock and our financial condition and results of operations.

We depend on our senior management.

Our success depends upon the retention of our senior management, including Amy Miles, our Chief Executive Officer. We cannot assure you that we would be able to find qualified replacements for the individuals who make up our senior management if their services were no longer available. The loss of services of one or more members of our senior management team could have a material adverse effect on our business, financial condition and results of operations. The loss of any member of senior management could adversely affect our ability to effectively pursue our business strategy.

We are subject to substantial government regulation, which could entail significant cost.

We are subject to various federal, state and local laws, regulations and administrative practices affecting our business, and we must comply with provisions regulating health and sanitation standards, equal employment, environmental, and licensing for the sale of food and, in some theatres, alcoholic beverages. Changes in existing laws or implementation of new laws, regulations and practices could have a significant impact on our business. A significant portion of our theatre level employees are part time workers who are paid at or slightly above the applicable minimum wage in the theatre's jurisdiction. Increases in the minimum wage and implementation of reforms requiring the provision of additional benefits will increase our labor costs.

Our theatres must comply with the ADA to the extent that such properties are "public accommodations" and/or "commercial facilities" as defined by the 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, award of damages to private litigants and additional capital expenditures to remedy such non-compliance.

The interests of our controlling stockholder may conflict with your interests.

Anschutz Company owns all of our outstanding Class B common stock. Our Class A common stock has one vote per share while our Class B common stock has ten votes per share on all matters to be voted on by stockholders. As a result, as of January 1, 2015, Anschutz Company controlled approximately 78% of the voting power of all of our outstanding common stock. For as long as Anschutz Company continues to own shares of common stock representing more than 50% of the voting power of our common stock, it will be able to elect all of the members of our Board of Directors, effect stockholder actions by written consent in lieu of stockholder meetings and determine the outcome of all matters submitted to a vote of our stockholders, including matters involving mergers or other business combinations, the acquisition or disposition of assets, the incurrence of indebtedness, the issuance of any additional shares of common stock or other equity securities and the payment of dividends on our common stock. Anschutz Company will also have the power to prevent or cause a change in control, and could take other actions that might be desirable to Anschutz Company but not to other stockholders. In addition, Anschutz Company and its affiliates have controlling interests in companies in related and unrelated industries, including interests in the sports, motion picture production and music entertainment industries. In the future, it may combine our company with one or more of its other holdings.

Substantial sales of our Class A common stock could cause the market price for our Class A common stock to decline. We cannot predict the effect, if any, that open-market sales of shares of our Class A common stock or the availability of shares of our Class A common stock for sale will have on the market price of our Class A common stock prevailing from time to time. Sales of substantial amounts of shares of our Class A common stock in the public market, including by the Anschutz

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Company or its affiliates, or the perception that those sales will occur, could cause the market price of our Class A common stock to decline.

As of February 23, 2015, we had outstanding 23,708,639 shares of Class B common stock that may convert into Class A common stock on a one-for-one basis, all of which shares of common stock 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.

In addition, Anschutz Company and its affiliates are able to sell their shares pursuant to the registration rights that we have granted and may chose to do so at any time. In addition, we cannot predict whether substantial amounts of our Class A common stock will be sold in the open market in anticipation of, or following, any divestiture by Anschutz Company or our directors or executive officers of their shares of our common stock.

Our amended and restated certificate of incorporation and our amended and restated bylaws 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.

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 (unless otherwise required by the rules of the New York Stock Exchange), up to 50,000,000 shares of preferred stock, par value $0.001 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 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.

We are a holding company dependent on our subsidiaries for our ability to service our debt and pay our dividends.

We are a holding company with no operations of our own. Consequently, our ability to service our and our subsidiaries' debt and pay dividends on our common stock is dependent upon the earnings from the businesses conducted by our subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. Any distribution of earnings to us from our subsidiaries, or advances or other distributions of funds by these subsidiaries to us, all of which are subject to statutory or contractual restrictions, are contingent upon our subsidiaries' earnings and are subject to various business considerations. Our right to receive any assets of any of our subsidiaries upon their liquidation or reorganization, and therefore the right of the holders of our $5^3/_4$% Senior Notes due 2022 (the "$5^3/_4$% Senior Notes Due 2022"), our $5^3/_4$% Senior Notes due 2023 (the "$5^3/_4$% Senior Notes Due 2023"), our $5^3/_4$% Senior Notes due 2025 (the "$5^3/_4$% Senior Notes Due 2025") and our common stock to participate in those assets, will be structurally subordinated to the claims of that subsidiary's creditors. In addition, even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

Item 1B. UNRESOLVED STAFF COMMENTS.

None.

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Item 2. PROPERTIES.

As of January 1, 2015, we operated 518 theatre locations pursuant to lease agreements and owned the land and buildings in fee for 56 theatre locations. For a list of the states in which we operated theatres and the number of theatres and screens operated in each such state as of January 1, 2015, please see the chart under Part I, Item 1 of this Form 10-K under the caption "Business—Theatre Operations," which is incorporated herein by reference.

The majority of our leased theatres are subject to lease agreements with original terms of 15 to 20 years or more and, in most cases, renewal options for up to an additional 10 to 20 years. These leases provide for minimum annual rentals and the renewal options generally provide for rent increases. Some leases require, under specified conditions, further rental payments based on a percentage of revenues above specified amounts. A significant majority of the leases are net leases, which require us to pay the cost of insurance, taxes and a portion of the lessor's operating costs. Our corporate office is located in Knoxville, Tennessee. We believe that these facilities are adequate for our operations.

Item 3. LEGAL PROCEEDINGS.

Pursuant to Rule 12b-23 under the Securities Exchange Act of 1934, as amended, the information required to be furnished by us under this Part I, Item 3 (Legal Proceedings) is incorporated by reference to the information contained in Note 8 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K.

Item 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our common equity consists of Class A and Class B common stock. Our Class A common stock has traded on the New York Stock Exchange since May 9, 2002 under the symbol "RGC." There is no established public trading market for our Class B common stock.

The following table sets forth the historical high and low sales prices per share of our Class A common stock as reported by the New York Stock Exchange for the fiscal periods indicated.

	Fiscal 2014	
	High	Low
First Quarter (December 27, 2013 - March 27, 2014)	$20.14	$17.97
Second Quarter (March 28, 2014 - June 26, 2014)	21.40	18.41
Third Quarter (June 27, 2014 - September 25, 2014)	21.56	19.41
Fourth Quarter (September 26, 2014 - January 1, 2015)	23.24	17.87
	Fiscal 2013	
	High	Low
First Quarter (December 28, 2012 - March 28, 2013)	$16.84	$13.72
Second Quarter (March 29, 2013 - June 27, 2013)	19.00	16.17
Third Quarter (June 28, 2013 - September 26, 2013)	19.53	17.65
Fourth Quarter (September 27, 2013 - December 26, 2013)	19.95	18.10

On February 23, 2015, there were approximately 257 stockholders of record of our Class A common stock and one stockholder of record of our Class B common stock. As of February 23, 2015 our officers, directors and key employees hold, or in the case of performance shares are eligible to receive, approximately 1,569,734 restricted shares of our Class A common stock, for which the restrictions lapse or the performance criteria and vesting may be satisfied, at various dates through January 28, 2019. All shares of restricted stock are registered and will be freely tradable when the restrictions lapse, unless such shares are issued to or acquired by an affiliate of Regal, in which case the affiliate may only sell the shares subject to the volume limitations imposed by Rule 144 of the Securities Act.

Dividend Policy

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During fiscal 2014, we paid to our stockholders four quarterly cash dividends of $0.22 per share on each outstanding share of our Class A and Class B common stock, or approximately $138.6 million in the aggregate. In addition, on December 15, 2014, we paid an extraordinary cash dividend of $1.00 per share on each outstanding share of our Class A and Class B common stock, or approximately $156.2 million. During fiscal 2013, we paid to our stockholders four quarterly cash dividends of $0.21 per share on each outstanding share of our Class A and Class B common stock, or approximately $132.2 million in the aggregate. Finally, on February 12, 2015, we declared a cash dividend of $0.22 per share on each outstanding share of Class A and Class B common stock. The dividend is payable on March 13, 2015 to our stockholders of record on March 3, 2015. These dividends have been or will be funded through cash flow from operations and available cash on hand. We, at the discretion of our Board of Directors and subject to applicable law, anticipate paying regular quarterly dividends on our Class A and Class B common stock for the foreseeable future. The amount, if any, of the dividends to be paid in the future will depend upon our then available cash, anticipated cash needs, overall financial condition, loan agreement restrictions, future prospects for earnings and cash flows, as well as other relevant factors. For a description of the loan agreement restrictions on the payment of dividends, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" included in Part II, Item 7 of this Form 10-K and Note 5 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K.

Unregistered Sales of Equity Securities and Use of Proceeds

None.

Issuer Purchases of Equity Securities

None.

Item 6. SELECTED FINANCIAL DATA.

We present below selected historical consolidated financial data for Regal based on historical data, for periods subsequent to the respective acquisition dates, for (i) the fiscal year ended December 30, 2010, considering the results of United Artists, Regal Cinemas, Edwards and the eight theatres acquired from AMC on May 24, 2010 and June 24, 2010 for periods subsequent to their acquisition dates, (ii) the fiscal year ended December 29, 2011, considering the results of United Artists, Regal Cinemas, Edwards and the eight theatres acquired from AMC from December 31, 2010, (iii) the fiscal year ended December 27, 2012, considering the results of United Artists, Regal Cinemas, Edwards, the eight theatres acquired from AMC from December 30, 2011 and the acquisition of Great Escape Theatres, which consists of 25 theatres, for the period subsequent to the acquisition date of November 29, 2012, (iv) the fiscal year ended December 26, 2013, considering the results of United Artists, Regal Cinemas, Edwards, the eight theatres acquired from AMC and the 25 theatres acquired from Great Escape Theatres from December 28, 2012, and the acquisition of Hollywood Theaters, which consists of 43 theatres, for the period subsequent to the acquisition date of March 29, 2013, and (v) the fiscal year ended January 1, 2015, considering the results of United Artists, Regal Cinemas, Edwards, the eight theatres acquired from AMC, the 25 theatres acquired from Great Escape Theatres, and the 43 theatres acquired from Hollywood Theaters from December 27, 2013. The fiscal year ended January 1, 2015 consisted of 53 weeks of operations. The selected historical consolidated financial data as of and for the fiscal years ended January 1, 2015, December 26, 2013, December 27, 2012, December 29, 2011, and December 30, 2010 were derived from the audited consolidated financial statements of Regal and the notes thereto. The selected historical financial data does not necessarily indicate the operating results or financial position that would have resulted from our operations on a combined basis during the periods presented, nor is the historical data necessarily indicative of any future operating results or financial position of Regal. In addition to the below selected financial data, you should also refer to the more complete financial information included elsewhere in this Form 10-K.

	Fiscal year ended January 1, 2015 (1)	Fiscal year ended December 26, 2013	Fiscal year ended December 27, 2012	Fiscal year ended December 29, 2011	Fiscal year ended December 30, 2010
	(in millions, except per share data)				
Statement of Income Data:					

Total revenues	$2,990.1	$3,038.1	$2,820.0	$2,675.9	$2,801.9
Income from operations(6)	306.4	339.8	330.0	215.5	209.8
Net income attributable to controlling interest(5)(6)(7)	105.6	157.7	142.3	36.8	74.0
Earnings per diluted share(5)(6)(7)	0.68	1.01	0.92	0.24	0.48
Dividends per common share(2)(3)(4)	$1.88	$0.84	$1.84	$0.84	$2.12

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	As of or for the fiscal year ended January 1, 2015 (1)	As of or for the fiscal year ended December 26, 2013	As of or for the fiscal year ended December 27, 2012	As of or for the fiscal year ended December 29, 2011	As of or for the fiscal year ended December 30, 2010
	(in millions, except operating data)				
Other financial data:					
Net cash provided by operating activities(5)	$349.1	$346.9	$346.6	$353.1	$259.4
Net cash used in investing activities(5)	(150.5)	(258.7)	(183.4)	(101.1)	(82.7)
Net cash provided by (used in) financing activities(2)(3)(4)	(332.4)	83.2	(306.7)	(204.3)	(299.5)
Balance sheet data at period end:					
Cash and cash equivalents	$147.1	$280.9	$109.5	$253.0	$205.3
Total assets	2,539.5	2,704.7	2,222.1	2,352.2	2,501.2
Total debt obligations	2,360.2	2,310.7	1,995.2	2,016.3	2,073.0
Deficit	(897.3)	(715.3)	(750.4)	(621.8)	(537.5)
Operating data:					
Theatre locations	574	580	540	527	539
Screens	7,367	7,394	6,880	6,614	6,698
Average screens per location	12.8	12.7	12.7	12.6	12.4
Attendance (in millions)	220.2	228.6	216.4	211.9	224.3
Average ticket price	$9.08	$9.01	$8.90	$8.70	$8.72
Average concessions per patron	$3.77	$3.57	$3.46	$3.34	$3.23

(1) Fiscal year ended January 1, 2015 was comprised of 53 weeks.

(2) Includes the December 15, 2014 payment of the $1.00 extraordinary cash dividend paid on each share of Class A and Class B common stock.

(3) Includes the December 27, 2012 payment of the $1.00 extraordinary cash dividend paid on each share of Class A and Class B common stock.

(4) Includes the December 30, 2010 payment of the $1.40 extraordinary cash dividend paid on each share of Class A and Class B common stock.

(5) During the quarter ended September 30, 2010, we redeemed 4.3 million of our National CineMedia common units for a like number of shares of NCM, Inc. common stock, which we sold in an underwritten public offering (including underwriter over-allotments) for $16.00 per share, reducing our investment in National CineMedia by $14.0 million, the average carrying amount of the shares sold. We received approximately $66.0 million in proceeds after deducting related fees and expenses payable by us, resulting in a gain on sale of $52.0 million. During the quarter ended September 26, 2013, we redeemed 2.3 million of our National CineMedia common units for a like number of shares of NCM, Inc. common stock, which the Company sold in an underwritten public offering (including underwriter over-allotments) for $17.79 per share, reducing our investment in National CineMedia by approximately $10.0 million, the average carrying amount of the shares sold. The Company received approximately $40.9 million in proceeds, resulting in a gain on sale of approximately $30.9 million. We accounted for these transactions as a proportionate decrease in the Company's Initial Investment Tranche and Additional Investments Tranche and decreased our ownership share in National CineMedia. See Note 4 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K for further information.

(6)

During the years ended January 1, 2015, December 26, 2013, December 27, 2012, December 29, 2011, and December 30, 2010, we recorded long-lived asset impairment charges of $5.6 million, $9.5 million, $11.1 million, $17.9 million, and $10.3 million, respectively, specific to theatres that were directly and individually impacted by increased competition, adverse changes in market demographics or adverse changes in the development or the conditions of the areas surrounding the theatre. See Note 2 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K for further information related to our impairment policies.

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(7) During the quarter ended December 29, 2011, the Company considered various factors pertaining to its investment in RealD, Inc. as part of its ongoing impairment review and determined that an other-than-temporary impairment existed as of December 29, 2011. Such determination was based primarily on the length (approximately six months) of time during which the fair value of the RealD, Inc. investment remained substantially below the recorded investment cost basis of approximately $19.40 per share, the severity of the decline during such period and the prospects of recovery of the investment to its original cost basis. As a result, the Company recorded a $13.9 million other-than-temporary impairment charge to write-down its cost basis in RealD, Inc. to fair value as of December 29, 2011. The fair value of RealD, Inc. common shares was based on the publicly traded common stock price of RealD, Inc. as of December 29, 2011 of $8.05 per share.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This discussion summarizes the significant factors affecting the consolidated operating results, financial condition, liquidity and cash flows of Regal Entertainment Group for the fiscal years ended January 1, 2015, December 26, 2013, and December 27, 2012. The following discussion and analysis should be read in conjunction with the consolidated financial statements of Regal and the notes thereto included elsewhere in this Form 10-K.

Overview and Basis of Presentation

We conduct our operations through our wholly owned subsidiaries. We operate the largest and most geographically diverse theatre circuit in the United States, consisting of 7,367 screens in 574 theatres in 42 states along with Guam, Saipan, American Samoa and the District of Columbia as of January 1, 2015. We believe the size, reach and quality of our theatre circuit provide an exceptional platform to realize economies of scale from our theatre operations. We also maintain an investment in National CineMedia, which concentrates on in-theatre advertising. The Company manages its business under one reportable segment: theatre exhibition operations.

We generate revenues primarily from admissions and concession sales. Additional revenues are generated by our vendor marketing programs, our gift card and discount ticket programs, various other activities in our theatres and our relationship with National CineMedia. Film rental costs depend primarily on the popularity and box office revenues of a film, and such film rental costs generally increase as the admissions revenues generated by a film increase. Because we purchase certain concession items, such as fountain drinks and popcorn, in bulk and not pre-packaged for individual servings, we are able to maximize our margins by negotiating volume discounts. Other operating expenses consist primarily of theatre labor and occupancy costs.

The Company's revenues are usually seasonal, coinciding with the timing of releases of motion pictures by the major distributors. Generally, motion picture studios release the most marketable motion pictures during the summer and holiday seasons. The emergence or continuance of a "hit" film during other periods can alter the traditional pattern. The timing of movie releases can have a significant effect on the Company's results of operations, and the results of one fiscal quarter are not necessarily indicative of the results for the next or any other fiscal quarter. The seasonality of motion picture exhibition, however, has become less pronounced as motion picture studios are releasing motion pictures somewhat more evenly throughout the year. The Company does not believe that inflation has had a material impact on its financial position or results of operations.

For a summary of industry trends as well as other risks and uncertainties relevant to the Company, see "Business—Industry Overview and Trends" and "Risk Factors."

Critical Accounting Estimates

Our consolidated financial statements are prepared in conformity with U.S generally accepted accounting principles ("GAAP"), which require management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosures of contingent assets and liabilities as of the date of the balance sheet as well as the reported amounts of revenues and expenses during the reporting period. We routinely make estimates and judgments about the carrying value of our assets and liabilities that are not readily apparent from other sources. We evaluate and modify on an ongoing basis such estimates and assumptions, which include those related to film costs, property and equipment, goodwill, deferred revenue pertaining to gift card and discount ticket sales, income taxes and purchase accounting as well as others discussed in Note 2 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K. Estimates and assumptions are based on historical and other factors believed to be reasonable under the circumstances. The results of these estimates may form the basis of the carrying value of certain assets and liabilities. Actual results, under conditions and circumstances different from those assumed, may differ materially from estimates. The impact and any associated risks related to estimates, assumptions, and accounting policies are discussed elsewhere within this "Management's Discussion and Analysis of Financial Condition and

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Results of Operations," as well as in the notes to the consolidated financial statements, if applicable, where such estimates, assumptions, and accounting policies affect our reported and expected results. Management has discussed the development and selection of its critical accounting estimates with the Audit Committee of our Board of Directors and the Audit Committee has reviewed our related disclosures herein.

We believe the following accounting policies are critical to our business operations and the understanding of our results of operations and affect the more significant judgments and estimates used in the preparation of our consolidated financial statements:

- We have applied the principles of purchase accounting when recording theatre acquisitions. Under current purchase accounting principles, we are required to use the acquisition method of accounting to estimate the fair value of all assets and liabilities, including: (i) the acquired tangible and intangible assets, including property and equipment, (ii) the liabilities assumed at the date of acquisition (including contingencies), and (iii) the related deferred tax assets and liabilities. Because the estimates we make in purchase accounting can materially impact our future results of operations, for significant acquisitions, we have obtained assistance from third party valuation specialists in order to assist in our determination of fair value. The Company provides the assumptions to the third party valuation firms based on information available to us at the acquisition date, including both quantitative and qualitative information about the specified assets or liabilities. The Company primarily utilizes the third parties to accumulate comparative data from multiple sources and assemble a report that summarizes the information obtained. The Company then uses the information to determine fair value. The third party valuation firms are supervised by Company personnel who are knowledgeable about valuations and fair value. The Company evaluates the appropriateness of the valuation methodology utilized by the third party valuation firm. The estimation of the fair value of the assets and liabilities involves a number of judgments and estimates that could differ materially from the actual amounts. Historically, the estimates made have not experienced significant changes and, as a result, we have not disclosed such changes.
- FASB Accounting Standards Codification ("ASC") Subtopic 350-20, Intangibles—Goodwill and Other—Goodwill specifies that goodwill and indefinite-lived intangible assets will be subject to an annual impairment assessment. Based on our annual impairment assessment conducted during fiscal 2014, fiscal 2013 and fiscal 2012, we were not required to record a charge for goodwill impairment. In assessing the recoverability of the goodwill, we must make various assumptions regarding estimated future cash flows and other factors in determining the fair values of the respective assets. If these estimates or their related assumptions change in the future, we may be required to record impairment charges for these assets in future periods.
- We estimate our film cost expense and related film cost payable based on management's best estimate of the expected box office revenue of each film over the length of its run in our theatres and the ultimate settlement of such film costs with the distributors. Generally, less than one-third of our quarterly film expense 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. The ultimate revenues of a film can be estimated reasonably accurately within a few weeks after the film is released based on the film's initial box office receipts. As a result, there are typically insignificant variances between our estimates of film cost expense and the final film cost payable, because we make such estimates based on each film's box office receipts through the end of the reporting period. For the fiscal years ended January 1, 2015, December 26, 2013 and December 27, 2012, there were no significant changes in our film cost estimation and settlement procedures.
- We depreciate and amortize the components of our property and equipment relating to both owned and leased theatres on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets. Each owned theatre consists of a building structure, structural improvements, seating and concession and film display equipment. While we have assigned an estimated useful life of less than 30 years to certain acquired facilities, we estimate that our newly constructed buildings generally have an estimated useful life of 30 years. Certain of our buildings have been in existence for more than 40 years. With respect to equipment (e.g., concession stand, point-of-sale equipment, etc.), a substantial portion is depreciated over seven years or less, which has been our historical replacement period. Seats and digital projection equipment generally have a longer useful economic life, and their depreciable lives (10-17.5 years)

are based on our experience and replacement practices. The estimates of the assets' useful lives require our judgment and our knowledge of the assets being depreciated and amortized. Further, we review the economic useful lives of such assets annually and make adjustments thereto as necessary. To the extent we determine that certain of our assets have become obsolete, we accelerate depreciation over the remaining useful lives of the assets. Actual economic lives may differ materially from these estimates.

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Historical appraisals of our properties have supported the estimated lives being used for depreciation and amortization purposes. Furthermore, our analysis of our historical capital replacement program is consistent with our depreciation policies. Finally, we review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. Such analysis generally evaluates assets for impairment on an individual theatre basis. When the estimated future undiscounted cash flows of the operations to which the assets relate do not exceed the carrying value of the assets, such assets are written down to fair value. Our experience indicates that theatre properties become impaired primarily due to market or competitive factors rather than physical (wear and tear) or functional (inadequacy or obsolescence) factors. In this regard, we do not believe the frequency or volume of facilities impaired due to these market factors are significant enough to impact the useful lives used for depreciation periods.

For the fiscal years ended January 1, 2015, December 26, 2013 and December 27, 2012, no significant changes have been made to the depreciation and amortization rates applied to operating assets, the underlying assumptions related to estimates of depreciation and amortization, or the methodology applied. For the fiscal year ended January 1, 2015, consolidated depreciation and amortization expense was $207.2 million, representing 6.9% of consolidated total revenues. If the estimated lives of all assets being depreciated were increased by one year, the consolidated depreciation and amortization expense would have decreased by approximately $13.0 million, or 6.3%. If the estimated lives of all assets being depreciated were decreased by one year, the consolidated depreciation and amortization expense would have increased by approximately $14.9 million, or 7.2%.

- Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. We record a valuation allowance if it is deemed more likely than not that our deferred income tax assets will not be realized. We reassess the need for such valuation allowance on an ongoing basis. An increase in the valuation allowance generally results in an increase in the provision for income taxes recorded in such period. A decrease in the valuation allowance generally results in a decrease to the provision for income taxes recorded in such period.

Additionally, income tax rules and regulations are subject to interpretation, require judgment by us and may be challenged by the taxing authorities. As described further in Note 7 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K, the Company applies the provisions of ASC Subtopic 740-10, Income Taxes—Overview. Although we believe that our tax return positions are fully supportable, in accordance with ASC Subtopic 740-10, we recognize a tax benefit only for tax positions that we determine will more likely than not be sustained based on the technical merits of the tax position. With respect to such tax positions for which recognition of a benefit is appropriate, the benefit is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Tax positions are evaluated on an ongoing basis as part of our process for determining our provision for income taxes. Among other items deemed relevant by us, the evaluations are based on new legislation, other new technical guidance, judicial proceedings, and our specific circumstances, including the progress of tax audits. Any change in the determination of the amount of tax benefit recognized relative to an uncertain tax position impacts the provision for income taxes in the period that such determination is made.

For fiscal 2014, our provision for income taxes was $73.4 million. Changes in management's estimates and assumptions regarding the probability that certain tax return positions will be sustained, the enacted tax rate applied to deferred tax assets and liabilities, the ability to realize the value of deferred tax assets, or the timing of the reversal of tax basis differences could impact the provision for income taxes and change the effective tax rate. A one percentage point change in the effective tax rate from 41.1% to 42.1% would have increased the current year income tax provision by approximately $1.8 million.

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As noted in our significant accounting policies for "Revenue Recognition" under Note 2 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K, the Company maintains a deferred revenue balance pertaining to cash received from the sale of discount tickets and gift cards that have not been redeemed. The Company recognizes revenue as a component of "Other operating revenues" associated with discount tickets and gift cards when redeemed, or when the likelihood of redemption becomes remote. We recognize unredeemed gift cards and other advanced sale-type certificates as revenue (known as "breakage" in our industry) based on historical experience, when the likelihood of redemption is remote, and when there is no legal obligation to remit the unredeemed gift card and discount ticket items to the relevant jurisdiction. The determination of the

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likelihood of redemption is based on an analysis of historical redemption trends and considers various factors including the period outstanding, the level and frequency of activity, and the period of inactivity.

Significant Events and Fiscal 2015 Outlook

During the fifty-three week fiscal year ended January 1, 2015 ("Fiscal 2014 Period") and the fifty-two week fiscal years ended December 26, 2013 ("Fiscal 2013 Period") and December 27, 2012 ("Fiscal 2012 Period"), the Company entered into various investing and financing transactions which are more fully described under "Liquidity and Capital Resources" below and in the notes to the consolidated financial statements included in Part II, Item 8 of this Form 10-K.

During the Fiscal 2014 Period, we continued to make progress with respect to our business strategy as follows:

- We demonstrated our commitment to providing incremental value to our stockholders. During the Fiscal 2014 Period, we paid to our stockholders four quarterly cash dividends of $0.22 per share, or approximately $138.6 million in the aggregate. In addition, on December 15, 2014, we paid an extraordinary cash dividend of $1.00 per share, or approximately $156.2 million.
- We continued to actively manage our asset base during the Fiscal 2014 Period by opening nine new theatres with 98 screens and closing 15 underperforming theatres with 125 screens, ending the Fiscal 2014 Period with 574 theatres and 7,367 screens.
- We continued to embrace innovative concepts that generate incremental revenue and cash flows for the Company and deliver a premium movie-going experience for our customers on several complementary fronts:

First, we continued our focus on improving customer amenities, including the installation of luxury reclining seats, and experimentation with various other customer engagement and marketing initiatives aimed at increasing attendance and enhancing the overall customer experience. With respect to our luxury reclining seating initiative, as of January 1, 2015, we offered luxury reclining seating in 336 auditoriums at 32 select theatre locations. Based on promising initial results, we expect to offer luxury reclining seating in approximately 40 additional locations by the end of fiscal 2015. The costs of these conversions in some cases are partially covered by investments from our theatre landlords.

Second, to continually address consumer trends and customer preferences, we have focused on expanding our menu of food and alcoholic beverage products. We believe that the enhancement of our food and alcoholic beverage offerings has had a positive effect on our operating results and we expect to continue to invest in such offerings in our theatres. As of January 1, 2015, we offered an expanded menu of food and/or alcoholic beverage items in 159 locations. By the end of fiscal 2015, we expect to offer an expanded menu of food in approximately 180 locations and alcoholic beverages in approximately 130 locations. In addition, as of January 1, 2015, we have successfully launched seven Cinebarre locations which offer patrons the convenience of a variety of lunch and dinner menu options, including beer and wine, served at the customer's seat before and during the featured film.

Third, we believe that our IMAX® digital projection systems and our proprietary large screen format, RPX℠ offer our patrons all-digital, large format premium experiences and generate incremental revenue and cash flows for the Company. As of January 1, 2015, our IMAX® footprint consisted of a total of 86 IMAX® screens and we also operated a total of 86 RPX℠ screens. We have been encouraged by the operating results of our IMAX® and RPX℠ screens and to that end, we intend to install additional IMAX® digital projection systems and RPX℠ screens during fiscal 2015.

Finally, we maintain a frequent moviegoer loyalty program, named the Regal Crown Club®, to actively engage our core customers. Regal Crown Club® members are eligible for specified awards, such as concession items, based on purchases made at our participating theatres. As of January 1, 2015, we had over 13 million active members in the Regal Crown Club®, making it the largest loyalty program in our industry, and these members accounted for approximately $1.0 billion of the Company's box office and concession revenues during the Fiscal 2014 Period. In addition, our mobile ticketing application designed to give customers quick access to box office information via their Apple iPhone® or Android™ phone, has been downloaded approximately 2.5 million times since its Fiscal 2012 Period launch. The application provides customers the ability to find films, movie information, showtimes and special offers from Regal (including Regal Crown Club® loyalty program promotions) and the ability to purchase tickets for local theatres, thereby expediting the admissions process.

- Finally, we believe Open Road Films fills a gap in the marketplace created by the major studios' big-budget franchise film strategy by marketing smaller budget films in a cost-effective manner and will drive additional patrons to our theatres and generate a return on our capital investment. Open Road Films distributed seven films

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during 2014 which generated national box office revenues of approximately $161.3 million, and intends to distribute approximately six to eight films per year. As of January 1, 2015, we have invested $20.0 million in cash in Open Road Films and may invest an additional $10.0 million in this joint venture. We believe our investment in Open Road Films will generate incremental value for our stockholders.

We are optimistic regarding the breadth of the 2015 film slate, including the timing of the release schedule and the number of films scheduled for release. Evidenced by the motion picture studios' continued efforts to promote and market upcoming film releases, 2015 appears to be another year of high-profile releases such as Fifty Shades of Grey, Insurgent, Furious 7, The Avengers: Age of Ultron, Mad Max: Fury Road, Tomorrowland, Jurassic World, Inside Out, Ted 2, Minions, Ant-Man, The Fantastic Four, Spectre, Hunger Games: Mockingjay Part 2, Star Wars: The Force Awakens, and Mission: Impossible 5.

We intend to grow our theatre circuit through selective expansion and through accretive acquisitions. With respect to capital expenditures, subject to the timing of certain construction projects, we expect capital expenditures (net of proceeds from asset sales and landlord contributions) to be in the range of $135.0 million to $145.0 million for fiscal 2015, consisting of new theatre development, expansion of existing theatre facilities, upgrades for premium amenities, and maintenance.

Overall for the fiscal 2015 year, we expect to benefit from modest increases in ticket prices and average concessions per patron. In addition, we expect fiscal 2015 admissions and concessions revenues to be supported by our continued focus on efficient theatre operations and through opportunities to expand our concession offerings. We will continue to maintain a business strategy focused on the evaluation of accretive acquisition opportunities, selective upgrades and premium experience opportunities and providing incremental returns to our stockholders. For an understanding of the significant factors that influenced our performance during the past three fiscal years, the preceding and following discussion should be read in conjunction with the consolidated financial statements and the notes thereto presented in Part II, Item 8 of this Form 10-K.

Recent Developments

On October 27, 2014, the Company announced that its Board of Directors authorized the exploration of strategic alternatives to enhance stockholder value, which included a potential sale of the Company. On January 15, 2015, the Company announced that its Board of Directors, in the course of its examination of strategic alternatives and with the advice of Morgan Stanley & Co. LLC after a thorough market review, has determined that a sale of the Company would not be in the best interest of its stockholders at such time. The Company's Board of Directors, consistent with its fiduciary duties, remains committed to evaluating any alternatives that would enhance stockholder value.

On February 12, 2015, we declared a cash dividend of $0.22 per share on each outstanding share of Class A and Class B common stock. The dividend is payable on March 13, 2015 to our stockholders of record on March 3, 2015.

Results of Operations

Based on our review of industry sources, North American box office revenues for the time period that corresponds to the Fiscal 2014 Period were estimated to have decreased by approximately one to two percent in comparison to the period of time that corresponds to the Fiscal 2013 Period. The industry's box office results for 2014 were negatively impacted by comparisons to record box office results experienced in the Fiscal 2013 Period.

The following table sets forth the percentage of total revenues represented by certain items included in our consolidated statements of income for the Fiscal 2014 Period, the Fiscal 2013 Period and the Fiscal 2012 Period (dollars and attendance in millions, except average ticket prices and average concessions per patron):

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	Fiscal 2014 Period			Fiscal 2013 Period			Fiscal 2012 Period		
	$	% of Revenue		$	% of Revenue		$	% of Revenue	
Revenues:									
Admissions	$1,998.9	66.9	%	$2,059.6	67.8	%	$1,925.1	68.3	%
Concessions	829.6	27.7		816.9	26.9		748.4	26.4	
Other operating revenues	161.6	5.4		161.6	5.3		146.5	5.2	
Total revenues	2,990.1	100.0		3,038.1	100.0		2,820.0	99.9	
Operating expenses:									
Film rental and advertising costs(1)	1,047.1	52.4		1,078.0	52.3		1,000.5	52.0	
Cost of concessions(2)	111.1	13.4		111.6	13.7		101.1	13.5	
Rent expense(3)	423.4	14.2		413.6	13.6		384.4	13.6	
Other operating expenses(3)	813.2	27.2		812.8	26.8		735.9	26.1	
General and administrative expenses (including share-based compensation expense of $9.4 million, $9.3 million and $10.3 million for the Fiscal 2014 Period, the Fiscal 2013 Period and the Fiscal 2012 Period, respectively)(3)	74.4	2.5		73.7	2.4		68.8	2.4	
Depreciation and amortization(3)	207.2	6.9		200.2	6.6		183.1	6.5	
Net loss on disposal and impairment of operating assets and other(3)	7.3	0.2		8.4	0.3		16.2	0.6	
Total operating expenses(3)	2,683.7	89.8		2,698.3	88.8		2,490.0	88.3	
Income from operations(3)	306.4	10.2		339.8	11.2		330.0	11.7	
Interest expense, net(3)	126.5	4.2		141.3	4.7		135.0	4.8	
Loss on extinguishment of debt(3)	62.4	2.1		30.7	1.0		—	—	
Earnings recognized from NCM(3)	(32.1)	1.1		(37.5)	1.2		(34.8)	1.2	
Gain on sale of NCM, Inc. common stock(3)	—	—		(30.9)	1.0		—	—	
Provision for income taxes(3)	73.4	2.5		107.0	3.5		89.5	3.2	
Net income attributable to controlling interest(3)	$105.6	3.5		$157.7	5.2		$142.3	5.0	
Attendance	220.2	*		228.6	*		216.4	*	
Average ticket price(4)	$9.08	*		$9.01	*		$8.90	*	
Average concessions per patron(5)	$3.77	*		$3.57	*		$3.46	*	

* Not meaningful
(1) Percentage of revenues calculated as a percentage of admissions revenues.
(2) Percentage of revenues calculated as a percentage of concessions revenues.
(3) Percentage of revenues calculated as a percentage of total revenues.
(4) Calculated as admissions revenue/attendance.
(5) Calculated as concessions revenue/attendance.

Fiscal 2014 Period Compared to Fiscal 2013 Period

Admissions

During the Fiscal 2014 Period, total admissions revenues decreased $60.7 million, or 2.9%, to $1,998.9 million, from $2,059.6 million in the Fiscal 2013 Period. A 3.7% decrease in attendance (approximately $76.2 million of total admissions revenues), partially offset by a 0.8% increase in average ticket prices (approximately $15.5 million of total admissions revenues) led to the overall decrease in the Fiscal 2014 Period admissions revenues. The Fiscal 2014 Period results were favorably impacted by the timing of the Fiscal 2014 Period calendar, which consisted of fifty-three weeks compared to the fifty-two weeks during the Fiscal 2013 Period and the inclusion of the 513 screens from Hollywood Theaters for the entire Fiscal 2014 Period (compared to nine months in the Fiscal 2013 Period). The additional week of operations was the week between Christmas and New Years, a traditionally high attendance and revenue week for the Company and the industry. The additional week of operations was significant in that it accounted for approximately 8.7 million attendees, or 4.0%, of the Fiscal 2014 Period total attendance and contributed to approximately $76.5 million, or 3.8%, of the Fiscal 2014 Period total admissions revenues. Excluding week 53, the 513 screens from Hollywood Theaters accounted for 11.8 million attendees, or 5.4%, of the Fiscal 2014 Period total attendance and contributed approximately $90.2 million, or 4.5%, of the Fiscal 2014 Period total admissions revenues. However, these factors were offset by the impact of the decline in industry attendance during the Fiscal 2014 Period and as a result, total attendance for the Company's Fiscal 2014 Period decreased by 3.7%. The overall decline in attendance and admissions revenues during the Fiscal 2014 Period as compared to the Fiscal 2013 Period was primarily a result of strong attendance generated by the breadth and commercial appeal of the overall film slate during the Fiscal 2013 Period, which experienced record box office revenues.

On a comparable screen basis (i.e., excluding the effects of the impact of week 53 in the Fiscal 2014 Period and the 513 screens from Hollywood Theaters for the Fiscal 2014 Period and Fiscal 2013 Period), attendance for the Fiscal 2014 Period was approximately 199.7 million, an 8.6% decrease from the Fiscal 2013 Period, and admissions revenues for the Fiscal 2014 Period was approximately $1,832.2 million, a decrease of $150.6 million or 7.6% from the Fiscal 2013 Period. On a comparable screen basis, an 8.6% decrease in attendance (approximately $170.5 million of admissions revenues), partially offset by a 1.1% increase in average ticket prices (approximately $19.9 million of admissions revenues) led to the net decline in the Fiscal 2014 Period admissions revenues. We believe that our attendance is primarily dependent upon the commercial appeal of content released by the motion picture studios. The decline in comparable screen attendance and admissions revenues was primarily a result of the aforementioned breadth and commercial appeal of the overall film slate during the Fiscal 2013 Period. The increase in our comparable screen average ticket price was due to selective price increases identified during our ongoing periodic pricing reviews, partially offset by a decrease in the percentage of our admissions revenues generated by premium format films exhibited during the Fiscal 2014 Period. Based on our review of certain industry sources, the decrease in our comparable screen admissions revenues on a per screen basis was greater than the industry’s per screen results for the Fiscal 2014 Period as compared to the Fiscal 2013 Period. We believe the greater than industry decrease in comparable screen admissions revenues on a per screen basis in the Fiscal 2014 Period was primarily attributable to premium format film performance and the impact of our competitors' investment in new theatres and customer amenities. We are optimistic that our investments in new theatre construction and premium amenities will provide the opportunity for incremental revenue and cash flows for the Company. To that end, our market share may be positively or negatively impacted by such initiatives and trends during any given fiscal period.

Concessions

Total concessions revenues increased $12.7 million, or 1.6%, to $829.6 million during the Fiscal 2014 Period, from $816.9 million for the Fiscal 2013 Period. A 5.6% increase in average concessions revenues per patron (approximately $42.9 million of total concessions revenues), partially offset by a 3.7% decrease in attendance (approximately $30.2 million of total concessions revenues) led to the overall increase in the Fiscal 2014 Period concessions revenue. On a comparable screen basis, total concessions revenues for the Fiscal 2014 Period was $752.1 million, a decrease of $28.1 million or 3.6% from the Fiscal 2013 Period. Such decrease was primarily attributable to the aforementioned 8.6% decrease in comparable screen attendance (approximately $67.1 million of concessions revenues), partially offset by a 5.6% increase in comparable screen average concessions revenues per patron (approximately $39.0 million of concessions revenues). The increase in comparable screen average concessions revenues per patron for the Fiscal 2014 Period was primarily attributable to an increase in popcorn and beverage sales volume per patron, selective price increases during the period and to a lesser extent, the continued rollout of our expanded food and alcohol menu.

Other Operating Revenues

Other operating revenues of $161.6 million during the Fiscal 2014 Period was consistent with that of the Fiscal 2013 Period. Included in other operating revenues are the theatre access fees paid by National CineMedia (net of payments for onscreen advertising time provided to our beverage concessionaire), revenues from our vendor marketing programs, other theatre revenues (consisting of theatre rentals, internet ticketing surcharges, arcade games and other) and revenues related to our gift card and discount ticket programs. During the Fiscal 2014 Period, other operating revenues were primarily impacted by a decrease in revenues related to our gift card and discount ticket programs (approximately $5.9 million) and decreases in revenues from our vendor marketing programs (approximately $1.0 million), offset by incremental National CineMedia revenues (approximately $3.9 million) and increases in other theatre revenues (approximately $3.0 million).

Film Rental and Advertising Costs

Film rental and advertising costs as a percentage of admissions revenues of 52.4% during the Fiscal 2014 Period was in line with that of the Fiscal 2013 Period.

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Cost of Concessions

During the Fiscal 2014 Period, cost of concessions decreased $0.5 million, or 0.4%, to $111.1 million as compared to $111.6 million during the Fiscal 2013 Period. Cost of concessions as a percentage of concessions revenues for the Fiscal 2014 Period was approximately 13.4%, compared to 13.7% during the Fiscal 2013 Period. The decrease in cost of concessions as a percentage of concessions revenues during the Fiscal 2014 Period was primarily related to an increase in the amount of vendor marketing revenues recorded as a reduction of cost of concessions and the impact of the aforementioned price increases during the period, partially offset by slight increases in raw material costs.

Rent Expense

Rent expense increased by $9.8 million, or 2.4%, to $423.4 million in the Fiscal 2014 Period, from $413.6 million in the Fiscal 2013 Period. The increase in rent expense during the Fiscal 2014 Period was primarily related to the opening of several new theatres late in the Fiscal 2013 Period, the opening of nine new theatres with 98 screens (partially offset by the closure of 15 theatres with 125 screens) subsequent to the end of the Fiscal 2013 Period and incremental rent associated with the leases acquired as part of the Hollywood Theaters acquisition. On a comparable screen basis, rent expense increased $5.9 million, or 1.5%, during the Fiscal 2014 Period as compared to the Fiscal 2013 Period. On a comparable screen basis, the increase in rent expense in the Fiscal 2014 Period was primarily attributable to the opening of several new theatres late in the Fiscal 2013 Period and the opening of nine new theatres with 98 screens (partially offset by the closure of 15 theatres with 125 screens) subsequent to the end of the Fiscal 2013 Period.

Other Operating Expenses

Other operating expenses increased $0.4 million, to $813.2 million in the Fiscal 2014 Period, from $812.8 million in the Fiscal 2013 Period. During the Fiscal 2014 Period, other operating expenses was primarily impacted by increases in theatre level payroll expenses (approximately $11.1 million for the Fiscal 2014 Period) and increased non-rent occupancy costs (approximately $11.1 million for the Fiscal 2014 Period) primarily associated with the impact of the fifty-three weeks of operations and the inclusion of 513 screens from Hollywood Theaters, partially offset by the impact of the State of New York sales tax refund received by the Company during the Fiscal 2014 Period totaling approximately $16.8 million (described further in Note 8 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K) and decreased costs (approximately $3.5 million) associated with lower premium format film revenues during the Fiscal 2014 Period. On a comparable screen basis, other operating expenses decreased $24.6 million, or 3.2% during the Fiscal 2014 Period as compared to the Fiscal 2013 Period. Such decrease was attributable to the aforementioned State of New York sales tax refund and decreased costs associated with lower premium format film revenues during the Fiscal 2014 Period.

General and Administrative Expenses

General and administrative expenses increased $0.7 million, or 0.9%, to $74.4 million in the Fiscal 2014 Period, from $73.7 million in the Fiscal 2013 Period. The increase in general and administrative expenses during the Fiscal 2014 Period was primarily attributable to higher payroll costs associated with an additional week of operations, partially offset by lower legal and professional fees associated with the Fiscal 2013 Period acquisition of Hollywood Theaters and slightly lower travel costs.

Depreciation and Amortization

Depreciation and amortization expense increased $7.0 million, or 3.5%, to $207.2 million for the Fiscal 2014 Period, from $200.2 million in the Fiscal 2013 Period. The increase in depreciation and amortization expense during the Fiscal 2014 Period was primarily related to incremental depreciation and amortization expense associated with increased capital expenditures during the Fiscal 2014 Period, the addition of the 513 screens from Hollywood Theaters, the opening of several new theatres late in the Fiscal 2013 Period and the opening of nine new theatres with 98 screens subsequent to the end of the Fiscal 2013 Period. On a comparable screen basis, depreciation and amortization expense increased $3.0 million, or 1.6% during the Fiscal 2014 Period as compared to the Fiscal 2013 Period. On a comparable screen basis, the increase in depreciation and amortization expense during the Fiscal 2014 Period was primarily related to incremental depreciation and amortization expense associated with increased capital expenditures during the Fiscal 2014 Period, the opening of several new theatres late in the Fiscal 2013 Period and the opening of nine new theatres with 98 screens subsequent to the end of the Fiscal 2013 Period.

Income from Operations

Income from operations decreased $33.4 million, or 9.8%, to $306.4 million during the Fiscal 2014 Period, from $339.8 million in the Fiscal 2013 Period. On a comparable screen basis, income from operations for the Fiscal 2014 Period decreased $86.8 million, or 26.6%, from $326.3 million in the Fiscal 2013 Period. The decrease in income from operations during the Fiscal 2014 Period was primarily attributable to the decline in total revenues, partially offset by decreases in certain variable operating expense line items described above.

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Interest Expense, net

During the Fiscal 2014 Period, net interest expense decreased $14.8 million, or 10.5%, to $126.5 million, from $141.3 million in the Fiscal 2013 Period. The decrease in net interest expense during the Fiscal 2014 Period was principally due to interest savings associated with the refinance of approximately $925.0 million aggregate principal amount of the Company's $9^{1}/_{8}$% Senior Notes and $8^{5}/_{8}$% Senior Notes with the March 2014 issuance of our $5^{3}/_{4}$% Senior Notes Due 2022 and the June 2013 issuance of our $5^{3}/_{4}$% Senior Notes Due 2023, a lower effective interest rate on our Term Facility (including a change in our interest rate swap portfolio) and the aforementioned interest income related to the State of New York sales tax refund, partially offset by incremental interest form the capital lease and lease financing obligations assumed from Hollywood Theaters.

Earnings Recognized from NCM

Earnings recognized from NCM decreased $5.4 million, or 14.4%, to $32.1 million in the Fiscal 2014 Period, from $37.5 million in the Fiscal 2013 Period. The decrease in earnings recognized from NCM during the Fiscal 2014 Period was primarily attributable to lower earnings of National CineMedia during the period.

Income Taxes

The provision for income taxes of $73.4 million and $107.0 million for the Fiscal 2014 Period and the Fiscal 2013 Period, respectively, reflect effective tax rates of approximately 41.1% and 40.4%, respectively. The increase in the effective tax rate for the Fiscal 2014 Period is primarily attributable to changes in uncertain tax positions with state taxing authorities resulting from the lapse of statute of limitations that occurred in the Fiscal 2013 Period and the state tax effects of the $62.4 million ($39.2 million after related tax effects) loss on debt extinguishment associated with the repurchase of approximately $711.4 million aggregate principal amount of the Company's $9^{1}/_{8}$% Senior Notes and $8^{5}/_{8}$% Senior Notes that occurred during the Fiscal 2014 Period, which was not deductible in certain states. The effective tax rates for such periods also reflect the impact of certain non-deductible expenses and other income tax credits.

Net Income Attributable to Controlling Interest

Net income attributable to controlling interest for the Fiscal 2014 Period was $105.6 million, which represents a decrease of $52.1 million, from net income attributable to controlling interest of $157.7 million during the Fiscal 2013 Period. The decrease in net income attributable to controlling interest for the Fiscal 2014 Period was primarily attributable to a decline in operating income as described above, the $62.4 million ($39.2 million after related tax effects) loss on debt extinguishment associated with the repurchase of approximately $711.4 million aggregate principal amount of the Company's $9^{1}/_{8}$% Senior Notes and $8^{5}/_{8}$% Senior Notes during the Fiscal 2014 Period and the impact of the gain on sale of NCM, Inc. common stock recorded during the Fiscal 2013 Period, partially offset by the impact of the $30.3 million ($19.2 million after related tax effects) loss on debt extinguishment related to the Fiscal 2013 Period repurchase of approximately $213.6 million aggregate principal amount of the Company's $9^{1}/_{8}$% Senior Notes and a decrease in interest expense during the Fiscal 2014 Period.

Fiscal 2013 Period Compared to Fiscal 2012 Period

Admissions

During the Fiscal 2013 Period, total admissions revenues increased $134.5 million, or 7.0%, to $2,059.6 million, from $1,925.1 million in the Fiscal 2012 Period. A 5.6% increase in attendance (approximately $107.8 million of total admissions revenues) coupled with a 1.2% increase in average ticket prices (approximately $26.7 million of total admissions revenues) led to the increase in the Fiscal 2013 Period admissions revenues. The 814 screens from Great Escape Theatres and Hollywood Theaters accounted for 16.3 million attendees, or 7.1%, of the Fiscal 2013 Period total attendance and contributed approximately $128.6 million, or 6.2%, of the Fiscal 2013 Period total admissions revenues. On a comparable screen basis (i.e., excluding the effects of the inclusion of the 814 screens from Great Escape Theatres and Hollywood Theaters), attendance for the Fiscal 2013 Period was approximately 212.3 million, a 1.7% decrease from the Fiscal 2012 Period, and admissions revenues for the Fiscal 2013 Period was approximately $1,931.0 million, an increase of $9.4 million or 0.5% from the Fiscal 2012 Period. On a comparable screen basis, the 2.2% increase in average ticket prices (approximately $42.1 million of admissions revenues), partially offset by the

1.7% decrease in attendance (approximately $32.7 million of admissions revenues), led to the increase in the Fiscal 2013 Period admissions revenues. The comparable screen average ticket price increase was due to selective price increases identified during our ongoing periodic pricing reviews (which include analysis of various factors such as general inflationary trends and local market conditions). The decrease in comparable screen attendance during the Fiscal 2013 Period was primarily attributable to difficult comparisons with the strong attendance experienced in the Fiscal 2012 Period from such pictures as The Avengers, The Dark Knight Rises and The Hunger Games, partially offset by the breadth and commercial appeal of the overall film slate during the Fiscal 2013 Period. Based on our review of certain industry

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sources, the increase in our admissions revenues on a comparable screen basis was in line with the industry's per screen results for the Fiscal 2013 Period as compared to the Fiscal 2012 Period.

Concessions

Total concessions revenues increased $68.5 million, or 9.2%, to $816.9 million during the Fiscal 2013 Period, from $748.4 million for the Fiscal 2012 Period. A 5.6% increase in attendance (approximately $41.9 million of total concessions revenues) coupled with a 3.2% increase in average concessions revenues per patron (approximately $26.6 million of total concessions revenues), led to the increase in the Fiscal 2013 Period concessions revenue. On a comparable screen basis, total concessions revenues for the Fiscal 2013 Period was $757.6 million, an increase of $10.8 million or 1.4% from the Fiscal 2012 Period. On a comparable screen basis, the increase in total concessions revenues during the Fiscal 2013 Period was primarily attributable to a 3.2% increase in comparable screen average concessions revenues per patron (approximately $23.5 million of concessions revenues), partially offset by the aforementioned 1.7% decrease in comparable screen attendance (approximately $12.7 million of concessions revenues) during the period. The increase in comparable screen average concessions revenues per patron for the Fiscal 2013 Period was primarily a result of an increase in popcorn and beverage sales volume and to a lesser extent, selective price increases and the continued rollout of our expanded food menu during the period.

Other Operating Revenues

During the Fiscal 2013 Period, other operating revenues increased $15.1 million, or 10.3%, to $161.6 million, from $146.5 million in the Fiscal 2012 Period. Included in other operating revenues are the theatre access fees paid by National CineMedia (net of payments for onscreen advertising time provided to our beverage concessionaire), revenues from our vendor marketing programs, other theatre revenues (consisting of theatre rentals, internet ticketing surcharges, arcade games and other) and revenue related to our gift card and discount ticket programs. The increase in other operating revenues during the Fiscal 2013 Period was principally due to increases in revenues from our vendor marketing programs (approximately $9.2 million) and increases in other theatre revenues (approximately $4.8 million).

Film Rental and Advertising Costs

Film rental and advertising costs as a percentage of admissions revenues increased to 52.3% during the Fiscal 2013 Period from 52.0% in the Fiscal 2012 Period. The increase in film rental and advertising costs as a percentage of box office revenues during the Fiscal 2013 Period was primarily attributable to the overall increase in box office revenues associated with the breadth and commercial appeal of the overall film slate during the Fiscal 2013 Period and an increase in promotional costs associated with new theatre openings.

Cost of Concessions

During the Fiscal 2013 Period, cost of concessions increased $10.5 million, or 10.4%, to $111.6 million as compared to $101.1 million during the Fiscal 2012 Period. Cost of concessions as a percentage of concessions revenues for the Fiscal 2013 Period was approximately 13.7%, compared to 13.5% during the Fiscal 2012 Period. The increase in cost of concessions as a percentage of concessions revenues during the Fiscal 2013 Period was primarily related to slightly higher raw material and packaged good costs, partially offset by an increase in the amount of vendor marketing revenue recorded as a reduction of cost of concessions.

Rent Expense

Rent expense increased by $29.2 million, or 7.6%, to $413.6 million in the Fiscal 2013 Period, from $384.4 million in the Fiscal 2012 Period. The increase in rent expense during the Fiscal 2013 Period was primarily related to incremental rent associated with the leases acquired as part of the Great Escape Theatres and Hollywood Theaters acquisitions. On a comparable screen basis, rent expense increased $6.0 million, or 1.6%, during the Fiscal 2013 Period as compared to the Fiscal 2012 Period. On a comparable screen basis, the increase in rent expense in the Fiscal 2013 Period was primarily attributable to higher contingent rent associated with increased admissions and concessions revenues during the Fiscal 2013 Period and incremental rent associated with the opening of eight new theatres with 98 screens subsequent to the end of the Fiscal 2012 Period, partially offset by the closure of 11 theatres with 101 screens subsequent to the end of the Fiscal 2012 Period.

Other Operating Expenses

Other operating expenses increased $76.9 million, or 10.4%, to $812.8 million in the Fiscal 2013 Period, from $735.9 million in the Fiscal 2012 Period. The increase in other operating expenses during the Fiscal 2013 Period was attributable to increases in certain non-rent occupancy costs (approximately $30.3 million for the Fiscal 2013 Period) and theatre level payroll expenses (approximately $25.4 million for the Fiscal 2013 Period) associated with the impact of the 814 screens from Great Escape Theatres and Hollywood Theaters. On a comparable screen basis, other operating expenses increased $24.0 million, or 3.3% during the Fiscal 2013 Period as compared to the Fiscal 2012 Period. On a comparable screen basis, the increase in other operating expenses during the Fiscal 2013 Period was also attributable to increases in theatre level payroll expenses and certain non-rent occupancy costs and increased costs associated with higher premium format film revenues during the Fiscal 2013 Period.

General and Administrative Expenses

General and administrative expenses increased $4.9 million, or 7.1%, to $73.7 million in the Fiscal 2013 Period, from $68.8 million in the Fiscal 2012 Period. The increase in general and administrative expenses during the Fiscal 2013 Period was primarily attributable to transaction costs associated with our recent acquisitions (approximately $3.2 million) and higher corporate payroll costs during the period, partially offset by slightly lower share-based compensation expense.

Depreciation and Amortization

Depreciation and amortization expense increased $17.1 million, or 9.3%, to $200.2 million for the Fiscal 2013 Period, from $183.1 million in the Fiscal 2012 Period. The increase in depreciation and amortization expense during the Fiscal 2013 Period was primarily related to incremental depreciation and amortization expense associated with the addition of the 814 screens from Great Escape Theatres and Hollywood Theaters. On a comparable screen basis, depreciation and amortization expense decreased $0.1 million, or 0.1% during the Fiscal 2013 Period as compared to the Fiscal 2012 Period.

Income from Operations

Income from operations increased $9.8 million, or 3.0%, to $339.8 million during the Fiscal 2013 Period, from $330.0 million in the Fiscal 2012 Period. The increase in income from operations during the Fiscal 2013 Period was primarily attributable to the increase in total revenues, partially offset by increases in certain variable operating expense line items described above.

Interest Expense, net

During the Fiscal 2013 Period, net interest expense increased $6.3 million, or 4.7%, to $141.3 million, from $135.0 million in the Fiscal 2012 Period. The increase in net interest expense during the Fiscal 2013 Period was principally due to incremental interest associated with the issuance of our $5^3/_4$% Senior Notes Due 2025 and the capital lease and lease financing obligations assumed from Hollywood Theaters, partially offset by interest savings associated with the partial refinance of approximately $213.6 million aggregate principal amount of our $9^1/_8$% Senior Notes with the proceeds from the second quarter of 2013 issuance of our $5^3/_4$% Senior Notes Due 2023 and a lower effective interest rate on our Term Facility (including a change in our interest rate swap portfolio).

Earnings Recognized from NCM

Earnings recognized from NCM increased $2.7 million, or 7.8%, to $37.5 million in the Fiscal 2013 Period, from $34.8 million in the Fiscal 2012 Period. The increase in earnings recognized from NCM during the Fiscal 2013 Period was primarily attributable to higher earnings of National CineMedia during such period.

Income Taxes

The provision for income taxes of $107.0 million and $89.5 million for the Fiscal 2013 Period and the Fiscal 2012 Period, respectively, reflect effective tax rates of approximately 40.4% and 38.6%, respectively. The increase in the effective tax rate for the Fiscal 2013 Period is primarily attributable to changes in uncertain tax positions with state taxing authorities resulting from the lapse of statute of limitations that occurred in the Fiscal 2012 Period. The effective tax rates for such periods also reflect the impact of certain non-deductible expenses and other income tax credits.

Net Income Attributable to Controlling Interest

Net income attributable to controlling interest for the Fiscal 2013 Period was $157.7 million, which represents an increase of $15.4 million, from net income attributable to controlling interest of $142.3 million during the Fiscal 2012 Period. The increase in net income attributable to controlling interest for the Fiscal 2013 Period was primarily attributable to an increase in operating income as described above, the impact of the gain on sale of NCM, Inc. common stock recorded during the third quarter of the Fiscal 2013 Period and higher equity earnings generated by certain of our equity method investments, partially offset by the impact of the $30.3 million ($19.2 million after related tax effects) loss on debt extinguishment related to the repurchase of approximately $213.6 million aggregate principal amount of the Company's $9^1/_8$% Senior Notes.

Quarterly Results

The Company's consolidated financial statements for the Fiscal 2013 Period include the results of operations of Hollywood Theaters, consisting of 43 theatres and 513 screens, for the period subsequent to the acquisition date of March 29, 2013. The acquisition of Hollywood Theaters is further described in Note 3 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K. The comparability of our results between quarters is impacted by the inclusion from the acquisition date of the results of operations of Hollywood Theaters plus certain other factors described below and to a lesser extent, seasonality.

The following table sets forth selected unaudited quarterly results for the eight quarters ended January 1, 2015. The quarterly financial data as of each period presented below have been derived from Regal's unaudited condensed consolidated financial statements for those periods. Results for these periods are not necessarily indicative of results for the full year. The quarterly financial data should be read in conjunction with the consolidated financial statements of Regal and notes thereto included in Part II, Item 8 of this Form 10-K.

	Jan. 1, 2015 (1)	Sept. 25, 2014 (2)	June 26, 2014 (3)	March 27, 2014 (4)	Dec. 26, 2013	Sept. 26, 2013 (5)	June 27, 2013 (6)	March 28, 2013
	In millions (except per share data)							
Total revenues	$799.1	$693.8	$770.3	$726.9	$739.9	$813.1	$842.3	$642.8
Income from operations(7)	91.7	58.6	85.8	70.3	55.7	109.8	117.1	57.2
Net income (loss) attributable to controlling interest(7)	46.3	26.7	33.8	(1.2)	24.0	75.1	36.1	22.5
Diluted earnings (loss) per share(7)	0.30	0.17	0.22	(0.01)	0.15	0.48	0.23	0.14
Dividends per common share(8)	$1.22	$0.22	$0.22	$0.22	$0.21	$0.21	$0.21	$0.21

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(1) The fiscal quarter ended January 1, 2015 was comprised of 14 weeks.

(2) On July 10, 2014, the State of New York approved a sales tax refund claim filed by the Company to recover sales taxes paid on certain nontaxable purchases made by the Company during the fiscal 2008 through fiscal 2012 periods. The refund totaled approximately $17.4 million, including interest. The Company recorded the refund during the quarter ended September 25, 2014 by reducing "Other operating expenses" by approximately $16.8 million and "Interest expense, net" by approximately $0.6 million.

(3) Reflects the impact of the $10.5 million ($6.6 million after related tax effects) loss on debt extinguishment recorded during the quarter ended June 26, 2014 related to the redemption of the remaining $133.3 million aggregate principal amount of the Company's $9^1/_8$% Senior Notes and Regal Cinemas' $8^5/_8$% Senior Notes.

(4) Reflects the impact of the $51.9 million ($32.6 million after related tax effects) loss on debt extinguishment recorded during the quarter ended March 27, 2014 related to the repurchase of approximately $578.1 million aggregate principal amount of the Company's $9^1/_8$% Senior Notes and Regal Cinemas' $8^5/_8$% Senior Notes.

(5) During the quarter ended September 26, 2013, we redeemed 2.3 million of our National CineMedia common units for a like number of shares of NCM, Inc. common stock, which we sold in an underwritten public offering (including underwriter over-allotments) for $17.79 per share, reducing our investment in National CineMedia by approximately $10.0 million, the average carrying amount of the shares sold. We received approximately $40.9 million in proceeds after deducting related fees and expenses payable by us, resulting in a gain on sale of approximately $30.9 million.

(6) Reflects the impact of the $30.3 million ($19.2 million after related tax effects) loss on debt extinguishment recorded during the quarter ended June 27, 2013 related to the repurchase of approximately $213.6 million aggregate principal amount of the Company's $9^1/_8$% Senior Notes.

(7) During the eight quarters ended January 1, 2015, we recorded long-lived asset impairment charges of $0.0 million, $1.9 million, $3.3 million, $0.4 million, $1.6 million, $5.8 million, $2.1 million, and $0.0 million, respectively, specific to theatres that were directly and individually impacted by increased competition, adverse changes in market demographics or adverse changes in the development or the conditions of the areas surrounding the theatre. See Note 2 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K for further information related to our impairment policies.

(8) Includes the December 15, 2014 payment of the $1.00 extraordinary cash dividend paid on each share of Class A and Class B Common Stock. See Note 9 to the accompanying consolidated financial statements included in Item 8 of this Form 10-K for further discussion.

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Liquidity and Capital Resources

On a consolidated basis, we expect our primary uses of cash to be for operating expenses, capital expenditures, investments, acquisitions, general corporate purposes related to corporate operations, debt service and the Company's dividend payments. The principal sources of liquidity are cash generated from operations, cash on hand and borrowings under the Credit Agreement described below. Under the terms of the Credit Agreement, Regal Cinemas is restricted as to how much it can advance or distribute to Regal, its indirect parent. Since Regal is a holding company with no significant assets other than the stock of its subsidiaries, this restriction could impact Regal's ability to effect future debt or dividend payments, pay corporate expenses, repurchase or retire for cash its $5^3/_4$% Senior Notes Due 2022, its $5^3/_4$% Senior Notes Due 2023 and its $5^3/_4$% Senior Notes Due 2025. In addition, as described further below, the indentures under which the $5^3/_4$% Senior Notes Due 2022, the $5^3/_4$% Senior Notes Due 2023, and the $5^3/_4$% Senior Notes Due 2025 are issued limit the Company's (and its restricted subsidiaries') ability to, among other things, incur additional indebtedness, pay dividends on or make other distributions in respect of its capital stock, purchase or redeem capital stock, make loans or advances to its subsidiaries, or purchase, redeem or otherwise acquire or retire certain subordinated obligations.

Operating Activities

Our revenues are generated principally through admissions and concessions sales with proceeds received in cash or via credit cards at the point of sale. Our operating expenses are primarily related to film and advertising costs, rent and occupancy and payroll. Film costs are ordinarily paid to distributors within 30 days following receipt of admissions revenues and the cost of the Company’s concessions are generally paid to vendors approximately 30 to 35 days from purchase. Our current liabilities include items that will become due within 12 months. In addition, from time to time, we use cash from operations and borrowings to fund dividends in excess of net income attributable to controlling interest and cash flows from operating activities less cash flows from investing and other financing activities. As a result, at any given time, our balance sheet may reflect a working capital deficit.

Net cash flows provided by operating activities totaled approximately $349.1 million, $346.9 million and $346.6 million for the Fiscal 2014 Period, the Fiscal 2013 Period and the Fiscal 2012 Period, respectively. The $2.2 million increase in net cash flows generated by operating activities for the Fiscal 2014 Period as compared to the Fiscal 2013 Period increase was caused by a $40.1 million increase in net income excluding non-cash items, largely offset by a negative fluctuation in working capital activity of approximately $37.9 million. Working capital activity was primarily impacted by changes in accrued expense and other activity and deferred revenue, partially offset by changes in accounts receivable activity during the Fiscal 2014 Period as compared to the Fiscal 2013 Period. The change in accrued expense and other activity was primarily due to the timing of vendor payments associated with increased attendance and admissions revenues at our theatres during the latter part of the Fiscal 2014 Period. The change in deferred revenue was primarily due to increased redemptions during our 53rd week of operations in the Fiscal 2014 Period. The change in accounts receivable activity was attributable to the timing of collections as a result of the additional week of operations during Fiscal 2014 Period

The $0.3 million increase in net cash flows generated by operating activities for the Fiscal 2013 Period as compared to the Fiscal 2012 Period increase was caused by a positive fluctuation in working capital activity of approximately $63.3 million, partially offset by a $63.0 million decrease in net income excluding non-cash items. Working capital activity was primarily impacted by changes in accrued expense and other activity, accounts payable activity (primarily film rental liabilities) and income taxes payable during the Fiscal 2013 Period as compared to the Fiscal 2012 Period. The change in accrued expense and other activity and accounts payable activity was primarily due to the timing of film and certain other vendor payments associated with increased attendance and admissions revenues at our theatres during the latter part of the Fiscal 2013 Period. The change in income taxes payable activity during the Fiscal 2013 Period as compared to the Fiscal 2012 Period was primarily associated with the timing of our estimated federal and state income tax payments during such periods.

Investing Activities

Our capital requirements have historically arisen principally in connection with acquisitions of theatres, new theatre construction, strategic partnerships, adding new screens to existing theatres, upgrading the Company’s theatre facilities and replacing equipment. We fund the cost of capital expenditures through internally generated cash flows, cash on hand, landlord contributions and proceeds from disposition of assets and financing activities.

We intend to continue to grow our theatre circuit through selective expansion and acquisition opportunities. The Company has a formal and intensive review procedure for the authorization of capital projects, with the most important financial measure of acceptability for a discretionary non-maintenance capital project being whether its projected discounted cash flow return on investment meets or exceeds the Company’s internal rate of return targets. We currently expect capital expenditures (net of proceeds from asset sales and landlord contributions) for theatre development, expansion, upgrading and replacements to be in the range of approximately $135.0 million to $145.0 million in fiscal year 2015, exclusive of acquisitions.

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As described further in Note 4 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K, on March 31, 2014, the junior capital raised by DCIP in the initial financing transactions was paid in full by DCIP. In connection with this repayment, the Master Lease was amended to eliminate the incremental minimum rent payment provision of $2,000 per digital projection system.

During the Fiscal 2014 Period, the Company sold a total of 500,000 shares of RealD, Inc. common stock at prices ranging from $11.27 to $12.47 per share. In connection with the sales, the Company received approximately $6.0 million in aggregate net proceeds (after deducting related fees and expenses) and recorded a gain on sale of approximately $2.0 million.

During the Fiscal 2014 Period, we received approximately 0.4 million newly issued common units of National CineMedia in accordance with the annual adjustment provisions of the Common Unit Adjustment Agreement. This transaction caused a proportionate increase in the Company's ownership share in National CineMedia to 25.8 million common units. On a fully diluted basis, we own a 20.1% interest in NCM, Inc. as of January 1, 2015. On May 5, 2014, NCM, Inc. announced that it has entered into an agreement to acquire Screenvision, LLC for $375 million, consisting of cash and NCM, Inc. common stock. Consummation of the transaction is subject to antitrust clearance and other customary closing conditions. On November 3, 2014, the DOJ filed an antitrust lawsuit seeking to enjoin the proposed merger between NCM, Inc. and Screenvision, LLC. If NCM, Inc. does not receive this approval or if the closing conditions in the agreement cannot be satisfied, NCM, Inc. may be required to pay a termination fee of approximately $28.8 million. National CineMedia has indemnified NCM, Inc. for the termination fee. Accordingly, each founding member bears a pro rata portion of this fee based upon their ownership percentage in National CineMedia. As of January 1, 2015, National CineMedia did not have a liability recorded for this termination fee as it does not believe payment to be probable.

Net cash flows used in investing activities totaled approximately $150.5 million, $258.7 million and $183.4 million for the Fiscal 2014 Period, the Fiscal 2013 Period and the Fiscal 2012 Period, respectively. The $108.2 million decrease in cash flows used in investing activities during the Fiscal 2014 Period, as compared to the Fiscal 2013 Period, was primarily attributable to the impact of the $194.4 million acquisition of Hollywood Theaters during the Fiscal 2013 Period, partially offset by a $50.3 million increase in capital expenditures (net of proceeds from disposals) during the Fiscal 2014 Period and the impact of proceeds of $40.9 million related to the sale of NCM, Inc. common stock during the Fiscal 2013 Period. The $75.3 million increase in cash flows used in investing activities during the Fiscal 2013 Period, as compared to the Fiscal 2012 Period, was primarily attributable to the impact of the $194.4 million acquisition of Hollywood Theaters during the Fiscal 2013 Period and a $21.4 million increase in capital expenditures (net of proceeds from disposals) during the Fiscal 2013 Period, partially offset by the impact of proceeds of $40.9 million related to the sale of NCM, Inc. common stock, $5.9 million received related to the sale of RealD, Inc. common stock, and a $1.3 million decrease in cash contributions to our various investments in non-consolidated entities during the Fiscal 2013 Period.

Financing Activities

As described further in Note 5 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K, on March 11, 2014, the Company issued the $5^3/_4$% Senior Notes Due 2022 in a registered public offering. Net proceeds from the offering were approximately $760.1 million, after deducting underwriting discounts and offering expenses. In connection with the issuance of the $5^3/_4$% Senior Notes Due 2022, on February 25, 2014, the Company commenced tender offers to purchase for cash its $9^1/_8$% Senior Notes and Regal Cinemas' $8^5/_8$% Senior Notes. Total offer consideration for each $1,000 principal amount of $9^1/_8$% Senior Notes tendered was $1,081.97, including an early tender premium payment of $30.00 per $1,000 principal amount of $9^1/_8$% Senior Notes for those holders who properly tendered their $9^1/_8$% Senior Notes on or before March 10, 2014. Total offer consideration for each $1,000 principal amount of Regal Cinemas' $8^5/_8$% Senior Notes tendered was $1,070.73, including an early tender premium payment of $30.00 per $1,000 principal amount of $8^5/_8$% Senior Notes for those holders who properly tendered their $8^5/_8$% Senior Notes on or before March 10, 2014. Upon consummation of the tender offers, approximately $222.3 million aggregate principal amount of the $9^1/_8$% Senior Notes were purchased and approximately $355.8 million aggregate principal amount of the $8^5/_8$% Senior Notes were purchased. Total additional consideration paid in the tender offers, including the early tender premium payment, was approximately \$43.4 million. The tender offers were financed with a portion of the net proceeds from the issuance of the $5^3/_4$% Senior Notes Due 2022. As discussed further under Note 5 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K, on April 10, 2014, the remaining $9^1/_8$% Senior Notes and $8^5/_8$% Senior Notes were fully redeemed by the Company and Regal Cinemas for an aggregate purchase price of \$144.9 million (including accrued and unpaid interest) using the remaining net proceeds from $5^3/_4$% Senior Notes Due 2022 and available cash on hand. As a result the tender offers and the subsequent redemption, the Company recorded an aggregate \$62.4 million loss on extinguishment of debt during the Fiscal 2014 Period.

As of January 1, 2015, we had approximately \$965.8 million aggregate principal amount outstanding under the Term Facility, \$250.0 million aggregate principal amount outstanding under the $5^3/_4$% Senior Notes Due 2025, \$250.0 million aggregate principal amount outstanding under the $5^3/_4$% Senior Notes Due 2023 and \$775.0 million aggregate principal amount outstanding under the $5^3/_4$% Senior Notes Due 2022. As of January 1, 2015, we had approximately \$2.7 million outstanding in letters of credit, leaving approximately \$82.3 million available for drawing under the Revolving Facility.

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As of January 1, 2015, we are in full compliance with all agreements, including all related covenants, governing our outstanding debt obligations.

The Company is rated by nationally recognized rating agencies. The significance of individual ratings varies from agency to agency. However, companies assigned ratings at the top end of the range have, in the opinion of certain rating agencies, the strongest capacity for repayment of debt or payment of claims, while companies at the bottom end of the range have the weakest capability. Ratings are always subject to change and there can be no assurance that the Company's current ratings will continue for any given period of time. An upgrade or downgrade of the Company's debt ratings, depending on the extent, could affect the cost to borrow funds. There were no upgrades or downgrades to the Company's debt ratings that materially impacted our ability or cost to borrow funds during the fiscal year ended January 1, 2015.

During the Fiscal 2014 Period, Regal paid four quarterly cash dividends of $0.22 per share on each outstanding share of the Company's Class A and Class B common stock, or approximately $138.6 million in the aggregate. In addition, on December 15, 2014, Regal paid an extraordinary cash dividend of $1.00 per share on each outstanding share of its Class A and Class B common stock, or approximately $156.2 million. On February 12, 2015, the Company declared a cash dividend of $0.22 per share on each share of the Company's Class A and Class B common stock (including outstanding restricted stock), payable on March 13, 2015, to stockholders of record on March 3, 2015. These dividends have been or will be funded through cash flow from operations and available cash on hand. We, at the discretion of the Board of Directors and subject to applicable law, anticipate paying regular quarterly dividends on our Class A and Class B common stock for the foreseeable future. The amount, if any, of the dividends to be paid in the future will depend upon our then available cash, anticipated cash needs, overall financial condition, loan agreement restrictions, future prospects for earnings and cash flows, as well as other relevant factors.

Net cash flows provided by (used in) financing activities were approximately $(332.4) million, $83.2 million and $(306.7) million for the Fiscal 2014 Period, the Fiscal 2013 Period and the Fiscal 2012 Period, respectively. The net increase in cash flows used in financing activities during the Fiscal 2014 Period as compared to the Fiscal 2013 Period of $415.6 million was primarily attributable to $764.3 million of cash used to repurchase our $9^1/_8$% Senior Notes and $8^5/_8$% Senior Notes during the Fiscal 2014 Period, the impact of $500.0 million in gross proceeds from the issuance of our $5^3/_4$% Senior Notes Due 2025 and $5^3/_4$% Senior Notes Due 2023 in the Fiscal 2013 Period and a $162.6 million increase in dividends paid to stockholders during the 2014 Fiscal Period as compared to the 2013 Fiscal Period, partially offset by $775.0 million in gross proceeds received in connection with the Fiscal 2014 Period issuance of our $5^3/_4$% Senior Notes Due 2022 and the impact of $244.3 million of cash used to repurchase a portion of our $9^1/_8$% Senior Notes during the Fiscal 2013 Period. The net increase in cash flows provided by financing activities during the Fiscal 2013 Period as compared to the Fiscal 2012 Period of $389.9 million was primarily attributable to the impact of receiving $250.0 million in gross proceeds from the issuance of our $5^3/_4$% Senior Notes Due 2025, receiving $250.0 million in gross proceeds from the issuance of our $5^3/_4$% Senior Notes Due 2023 in the Fiscal 2013 Period and a $155.1 million decrease in dividends paid to stockholders during the 2013 Fiscal Period as compared to the 2012 Fiscal Period, partially offset by the impact of $244.3 million of cash used to repurchase a portion of our $9^1/_8$% Senior Notes, $13.5 million of cash paid for debt acquisition costs during the Fiscal 2013 Period and a $3.1 million increase in net payments on long-term debt obligations during the Fiscal 2013 Period.

EBITDA

Earnings before interest, taxes, depreciation and amortization ("EBITDA") was approximately $512.7 million, $606.2 million and $549.9 million for the Fiscal 2014 Period, the Fiscal 2013 Period and the Fiscal 2012 Period, respectively. The decrease in EBITDA for the Fiscal 2014 Period was primarily attributable to a decline in operating income as described above, the $62.4 million loss on debt extinguishment associated with the refinance of approximately $711.4 million aggregate principal amount of the Company's $9^1/_8$% Senior Notes and Regal Cinemas' $8^5/_8$% Senior Notes during the Fiscal 2014 Period and the impact of the $30.9 million gain on sale of NCM, Inc. common stock recorded during the Fiscal 2013 Period, partially offset by the impact of the $30.3 million loss on debt extinguishment related to the Fiscal 2013 Period refinance of approximately $213.6 million aggregate principal amount of the Company's $9^1/_8$% Senior Notes. The increase in EBITDA for the Fiscal 2013 Period was primarily attributable to an increase in operating income as described above, the impact of the gain on sale of NCM, Inc. common stock and higher equity earnings generated by certain of our equity method investments, partially offset by the impact of the $30.3 million loss on debt extinguishment related to the repurchase of approximately $213.6 million aggregate principal amount of the Company's $9^1/_8$% Senior Notes. The Company uses EBITDA as a supplemental liquidity measure because we find it useful to understand and evaluate our capacity, excluding the impact of interest, taxes, and non-cash depreciation and amortization charges, for servicing our debt, paying dividends and otherwise meeting our cash needs, prior to our consideration of the impacts of other potential sources and uses of cash, such as working capital items. We believe that EBITDA is useful to investors for these purposes as well. EBITDA should not be considered an alternative to, or more meaningful than, net cash provided by or used in operating activities, as determined in accordance with U.S. generally accepted accounting principles ("GAAP"), since it omits the impact of interest, taxes and changes in working capital that use or provide cash (such as receivables, payables and inventories) as well as the sources or uses of cash associated

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with changes in other balance sheet items (such as long-term loss accruals and deferred items). Because EBITDA excludes depreciation and amortization, EBITDA does not reflect any cash requirements for the replacement of the assets being depreciated and amortized, which assets will often have to be replaced in the future. Further, EBITDA, because it also does not reflect the impact of debt service, income taxes, cash dividends, capital expenditures and other cash commitments from time to time as described in more detail elsewhere in this Form 10-K, does not represent how much discretionary cash we have available for other purposes. Nonetheless, EBITDA is a key measure expected by and useful to our fixed income investors, rating agencies and the banking community all of whom believe, and we concur, that these measures are critical to the capital markets' analysis of our ability to service debt, fund capital expenditures, pay dividends and otherwise meet cash needs, respectively. We also evaluate EBITDA because it is clear that movements in these non-GAAP measures impact our ability to attract financing and pay dividends. EBITDA, as calculated, may not be comparable to similarly titled measures reported by other companies. A reconciliation of EBITDA to net cash provided by operating activities is calculated as follows (in millions):

	Fiscal 2014 Period	Fiscal 2013 Period	Fiscal 2012 Period
EBITDA	$512.7	$606.2	$549.9
Interest expense, net	(126.5)	(141.3)	(135.0)
Provision for income taxes	(73.4)	(107.0)	(89.5)
Deferred income taxes	6.6	(11.8)	52.4
Changes in operating assets and liabilities	(42.9)	(5.0)	(68.3)
Loss on extinguishment of debt	62.4	30.7	—
Gain on sale of NCM, Inc. common stock	—	(30.9)	—
Landlord contributions	8.8	3.5	—
Other items, net	1.4	2.5	37.1
Net cash provided by operating activities	$349.1	$346.9	$346.6

Interest Rate Swaps

As described in Note 5 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K, as of January 1, 2015, the Company maintained three effective hedging relationships via three distinct interest rate swap agreements (maturity dates ranging from June 30, 2015 through December 31, 2016), which require Regal Cinemas to pay interest at fixed rates ranging from 0.817% to 1.820% and receive interest at a variable rate. These interest rate swap agreements are designated to hedge $450.0 million of variable rate debt obligations at an effective rate of approximately 3.88% as of January 1, 2015.

Under the terms of the Company's three effective interest rate swap agreements as of January 1, 2015 detailed below, Regal Cinemas currently receives interest at a variable rate based on the 3-month LIBOR on the first $300.0 million of aggregate borrowings under the Term Facility and receives 1-month LIBOR on the next $150.0 million of borrowings under the Term Facility. In addition, the Company will receive 1-month LIBOR on the next $200.0 million of borrowings under the Term Facility once the remaining interest rate swap agreement becomes effective. With respect to the Company's three effective interest rate swap agreements as of January 1, 2015, the 3-month LIBOR rate and the 1-month LIBOR rate on each respective reset date determines the variable portion of the interest rate swaps for the following three-month and one-month periods, respectively. The interest rate swaps settle any accrued interest for cash on the last day of each calendar month or calendar quarter, as applicable, until expiration. At such dates, the differences to be paid or received on the interest rate swaps will be included in interest expense. No premium or discount was incurred upon the Company entering into the interest rate swaps, because the pay and receive rates on the interest rate swaps represented prevailing rates for the counterparty at the time the interest rate swaps were entered into. The interest rate swaps qualify for cash flow hedge accounting treatment and as such, the change in the fair value of the interest rate swaps are recorded on the Company's consolidated balance sheet as an asset or liability with the effective portion of the interest rate swaps' gains or losses reported as a component of other comprehensive income (loss) and the ineffective portion reported in earnings (interest expense). As interest expense is accrued on the debt obligation, amounts in accumulated other comprehensive income (loss) related to the interest rate swaps will be reclassified into earnings to obtain a net cost on the debt obligation equal to the effective yield of the fixed rate of each swap. In the event that an interest rate swap is terminated prior to maturity, gains or losses accumulated in other comprehensive income or loss remain deferred and are reclassified into earnings in the periods during which the hedged forecasted transaction affects earnings.

Below is a summary of the Company’s current interest rate swap agreements designated as hedge agreements as of January 1, 2015:

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Nominal Amount		Effective Date	Base Rate	Receive Rate	Expiration Date
$200.0 million	(1)	June 30, 2012	1.820%	3-month LIBOR	June 30, 2015
$100.0 million	(1)	December 31, 2012	1.325%	3-month LIBOR	December 31, 2015
$150.0 million	(2)	December 31, 2013	0.817%	1-month LIBOR	December 31, 2016
$200.0 million	(3)	June 30, 2015	1.828%	1-month LIBOR	June 30, 2018

(1) During the year ended December 29, 2011, Regal Cinemas entered into two hedging relationships via two distinct interest rate swap agreements with effective dates beginning on June 30, 2012 and December 31, 2012, respectively, and maturity terms ending on June 30, 2015 and December 31, 2015, respectively. These swaps require Regal Cinemas to pay interest at fixed rates ranging from 1.325% to 1.820% and receive interest at a variable rate. The interest rate swaps are designated to hedge $300.0 million of variable rate debt obligations.

(2) During the year ended December 27, 2012, Regal Cinemas entered into one additional hedging relationship via one distinct interest rate swap agreement with an effective date beginning on December 31, 2013 and a maturity date of December 31, 2016. This swap requires Regal Cinemas to pay interest at a fixed rate of 0.817% and receive interest at a variable rate. The interest rate swap is designated to hedge $150.0 million of variable rate debt obligations.

(3) During the year ended December 26, 2013, Regal Cinemas entered into one additional hedging relationship via one distinct interest rate swap agreement with an effective date beginning on June 30, 2015, and a maturity date of June 30, 2018. This swap will require Regal Cinemas to pay interest at a fixed rate of 1.828% and receive interest at a variable rate. The interest rate swap is designated to hedge $200.0 million of variable rate debt obligations.

The fair value of the Company's interest rate swaps is based on Level 2 inputs as described in ASC Topic 820, Fair Value Measurements and Disclosures, which include observable inputs such as dealer quoted prices for similar assets or liabilities, and represents the estimated amount Regal Cinemas would receive or pay to terminate the agreements taking into consideration various factors, including current interest rates, credit risk and counterparty credit risk. The counterparties to the Company's interest rate swaps are major financial institutions. The Company evaluates the bond ratings of the financial institutions and believes that credit risk is at an acceptably low level. See Note 13 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K for additional discussion of the Company's interest rate swaps' fair value estimation methods and assumptions.

Sale-Leaseback Transactions

For information regarding our various sale and leaseback transactions, refer to Note 6 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K.

Contractual Cash Obligations and Commitments

The Company has assumed long-term contractual obligations and commitments in the normal course of business, primarily debt obligations and non-cancelable operating leases. Other than the operating leases that are detailed below, the Company does not utilize variable interest entities or any other form of off-balance sheet financing. As of January 1, 2015, the Company's estimated contractual cash obligations and commercial commitments over the next several periods are as follows (in millions):

	Payments Due By Period				
	Total	Current	13 - 36 months	37 - 60 months	After 60 months
Contractual Cash Obligations:					
Debt obligations(1)	$2,252.6	$13.8	$ 961.0	$ 2.8	$1,275.0
Future interest on debt obligations(2)	691.3	105.4	196.7	148.4	240.8
Capital lease obligations, including interest(3)	22.0	3.4	6.0	1.8	10.8

Lease financing arrangements, including interest(3)	138.9	20.7	41.3	39.8	37.1
Purchase commitments(4)	38.4	15.4	23.0	—	—
Operating leases(5)	2,997.0	425.2	784.8	639.2	1,147.8
FIN 48 liabilities(6)	0.7	0.7	—	—	—
Total	$6,140.9	$584.6	$ 2,012.8	$ 832.0	$2,711.5

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	Amount of Commitment Expiration per Period				
	Total Amounts Available	Current	13 - 36 months	37 - 60 months	After 60 months
Other Commercial Commitments(7)	$ 85.0	$—	$ 85.0	$ —	$—

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(1) These amounts are included on our consolidated balance sheet as of January 1, 2015. Our Credit Agreement provides for mandatory prepayments under certain scenarios. See Note 5 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K for additional information about our long-term debt obligations and related matters.

(2) Future interest payments on the Company's unhedged debt obligations as of January 1, 2015 (consisting of approximately $515.8 million of variable interest rate borrowings under the Term Facility, $775.0 million outstanding under the $5^3/_4$% Senior Notes Due 2022, $250.0 million outstanding under the $5^3/_4$% Senior Notes Due 2025, $250.0 million outstanding under the $5^3/_4$% Senior Notes Due 2023 and approximately $11.8 million of other debt obligations) are based on the stated fixed rate or in the case of the $515.8 million of variable interest rate borrowings under the Term Facility, the current interest rate specified in our Credit Agreement as of January 1, 2015 (2.67%). Future interest payments on the Company's hedged indebtedness as of January 1, 2015 (the remaining $450.0 million of borrowings under the Term Facility) are based on (1) the applicable margin (as defined in Note 5 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K) as of January 1, 2015 (2.50%) and (2) the expected fixed interest payments under the Company's interest rate swap agreements, which are described in further detail under Note 5 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K.

(3) The present value of these obligations, excluding interest, is included on our consolidated balance sheet as of January 1, 2015. Future interest payments are calculated based on interest rates implicit in the underlying leases, which have a weighted average interest rate of 11.24%, maturing in various installments through 2028. Refer to Note 5 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K for additional information about our capital lease obligations and lease financing arrangements.

(4) Includes estimated capital expenditures and investments to which we were committed as of January 1, 2015, including improvements associated with existing theatres, the construction of new theatres and investments in non-consolidated entities.

(5) We enter into operating leases in the ordinary course of business. Such lease agreements provide us with the option to renew the leases at defined or then fair value rental rates for various periods. Our future operating lease obligations would change if we exercised these renewal options or if we enter into additional operating lease agreements. Our operating lease obligations are further described in Note 6 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K.

(6) The table does not include approximately $7.6 million of recorded liabilities associated with unrecognized state tax benefits because the timing of the related payments was not reasonably estimable as of January 1, 2015.

(7) In addition, as of January 1, 2015, Regal Cinemas had approximately $82.3 million available for drawing under the $85.0 million Revolving Facility. Regal Cinemas also maintains a sublimit within the Revolving Facility of $10.0 million for short-term loans and $30.0 million for letters of credit.

We believe that the amount of cash and cash equivalents on hand, cash flow expected from operations and availability under our Revolving Facility will be adequate for the Company to execute its business strategy and meet anticipated requirements for lease obligations, capital expenditures, working capital and debt service for the next 12 months.

Off-Balance Sheet Arrangements

Other than the operating leases detailed above in this Form 10-K, under the heading "Contractual Cash Obligations and Commitments," the Company has no other off-balance sheet arrangements.

Recent Accounting Pronouncements

For a discussion of the recent accounting pronouncements relevant to our operations, please refer to the information provided under Note 2 to the consolidated financial statements included in Part II, Item 8 of this Form 10-K, which information is incorporated herein by reference.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is exposed to various market risks including interest rate risk and equity price risk. The Company’s interest rate risk is confined to interest rate exposure of its and its wholly owned subsidiaries’ debt obligations that bear interest based on floating rates. The Credit Agreement provides variable rate interest that could be adversely affected by an increase in interest rates. Borrowings under the Term Facility bears interest, at Regal Cinemas’ option, at either a base rate or an adjusted LIBOR rate plus, in each case, an applicable margin.

Under the terms of the Company's three effective interest rate swap agreements (which hedge an aggregate of $450.0 million of variable rate debt obligations as of January 1, 2015) described in Note 5 to the consolidated financial

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statements included in Part II, Item 8 of this Form 10-K, Regal Cinemas pays interest at fixed rates ranging from 0.817% to 1.820% and receives interest at a variable rate.

As of January 1, 2015 and December 26, 2013, borrowings of $965.8 million and $978.3 million (net of debt discount), respectively, were outstanding under the Term Facility at an effective interest rate of 3.23% (as of January 1, 2015) and 3.18% (as of December 26, 2013), after the impact of interest rate swaps is taken into account. A hypothetical change of 10% in the Company's effective interest rate under the Term Facility as of January 1, 2015, would increase or decrease interest expense by $3.1 million for the fiscal year ended January 1, 2015.

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Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors
Regal Entertainment Group:

Management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Management, including our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of such controls as of January 1, 2015. This assessment was based on criteria for effective internal control over financial reporting described in the Internal Control - Integrated Framework (2013) by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management believes that the Company's internal control over financial reporting is effective as of January 1, 2015.

KPMG LLP, independent registered public accounting firm of the Company's consolidated financial statements, has issued an audit report on the effectiveness of the Company's internal control over financial reporting as of January 1, 2015, as stated in their report which is included herein.

/s/ AMY E. MILES	/s/ DAVID H. OWNBY
Amy E. Miles	David H. Ownby
Chief Executive Officer (Principal Executive Officer)	Executive Vice President and Chief Financial Officer (Principal Financial Officer)

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Regal Entertainment Group:

We have audited the accompanying consolidated balance sheets of Regal Entertainment Group and subsidiaries as of January 1, 2015 and December 26, 2013, and the related consolidated statements of income, comprehensive income, deficit, and cash flows for each of the years in the three-year period ended January 1, 2015. We also have audited Regal Entertainment Group’s internal control over financial reporting as of January 1, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Regal Entertainment Group’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company’s internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its 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 our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Regal Entertainment Group and subsidiaries as of January 1, 2015 and December 26, 2013, and the results of its operations and its cash flows for each of the years in the three-year period ended January 1, 2015, in conformity with U.S. generally accepted accounting principles. Also in our opinion, Regal Entertainment Group maintained, in all material respects, effective internal control over financial reporting as of January 1, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) .

/s/ KPMG LLP

Knoxville, Tennessee
March 2, 2015

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REGAL ENTERTAINMENT GROUP
CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	January 1, 2015	December 26, 2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$147.1	$280.9
Trade and other receivables, net	126.0	122.8
Income tax receivable	9.6	6.6
Inventories	17.8	19.0
Prepaid expenses and other current assets	21.7	19.3
Deferred income tax asset	19.2	16.5
TOTAL CURRENT ASSETS	341.4	465.1
PROPERTY AND EQUIPMENT:		
Land	138.7	139.0
Buildings and leasehold improvements	2,142.4	2,074.1
Equipment	1,011.3	948.5
Construction in progress	5.3	6.7
Total property and equipment	3,297.7	3,168.3
Accumulated depreciation and amortization	(1,838.8)	(1,658.7)
TOTAL PROPERTY AND EQUIPMENT, NET	1,458.9	1,509.6
GOODWILL	320.4	320.4
INTANGIBLE ASSETS, NET	53.9	57.7
DEFERRED INCOME TAX ASSET	23.4	32.6
OTHER NON-CURRENT ASSETS	341.5	319.3
TOTAL ASSETS	$2,539.5	$2,704.7
LIABILITIES AND DEFICIT		
CURRENT LIABILITIES:		
Current portion of debt obligations	$26.6	$29.8
Accounts payable	165.7	170.2
Accrued expenses	76.0	86.6
Deferred revenue	188.2	181.8
Interest payable	20.5	38.0
TOTAL CURRENT LIABILITIES	477.0	506.4
LONG-TERM DEBT, LESS CURRENT PORTION	2,238.8	2,187.7
LEASE FINANCING ARRANGEMENTS, LESS CURRENT PORTION	83.8	80.2
CAPITAL LEASE OBLIGATIONS, LESS CURRENT PORTION	11.0	13.0
NON-CURRENT DEFERRED REVENUE	418.0	424.8
OTHER NON-CURRENT LIABILITIES	208.2	207.9
TOTAL LIABILITIES	3,436.8	3,420.0
COMMITMENTS AND CONTINGENCIES		
DEFICIT:		
Class A common stock, $0.001 par value; 500,000,000 shares authorized, 132,465,104 and 132,120,854 shares issued and outstanding at January 1, 2015 and December 26, 2013, 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 January 1, 2015 and December 26, 2013		
Preferred stock, $0.001 par value; 50,000,000 shares authorized; none issued and outstanding	—	—
Additional paid-in capital (deficit)	(941.8)	(782.9)
Retained earnings	48.4	71.8
Accumulated other comprehensive loss, net	(1.5)	(2.4)
TOTAL STOCKHOLDERS' DEFICIT OF REGAL ENTERTAINMENT GROUP	(894.8)	(713.4)
Noncontrolling interest	(2.5)	(1.9)
TOTAL DEFICIT	(897.3)	(715.3)
TOTAL LIABILITIES AND DEFICIT	$2,539.5	$2,704.7

See accompanying notes to consolidated financial statements.

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REGAL ENTERTAINMENT GROUP
CONSOLIDATED STATEMENTS OF INCOME
(in millions, except share and per share data)

	Year Ended January 1, 2015	Year Ended December 26, 2013	Year Ended December 27, 2012
REVENUES:			
Admissions	$1,998.9	$2,059.6	$1,925.1
Concessions	829.6	816.9	748.4
Other operating revenues	161.6	161.6	146.5
TOTAL REVENUES	2,990.1	3,038.1	2,820.0
OPERATING EXPENSES:			
Film rental and advertising costs	1,047.1	1,078.0	1,000.5
Cost of concessions	111.1	111.6	101.1
Rent expense	423.4	413.6	384.4
Other operating expenses	813.2	812.8	735.9
General and administrative expenses (including share-based compensation of $9.4, $9.3 and $10.3 for the years ended January 1, 2015, December 26, 2013 and December 27, 2012, respectively)	74.4	73.7	68.8
Depreciation and amortization	207.2	200.2	183.1
Net loss on disposal and impairment of operating assets and other	7.3	8.4	16.2
TOTAL OPERATING EXPENSES	2,683.7	2,698.3	2,490.0
INCOME FROM OPERATIONS	306.4	339.8	330.0
OTHER EXPENSE (INCOME):			
Interest expense, net	126.5	141.3	135.0
Loss on extinguishment of debt	62.4	30.7	—
Earnings recognized from NCM	(32.1)	(37.5)	(34.8)
Gain on sale of NCM, Inc. common stock	—	(30.9)	—
Other, net	(29.0)	(28.4)	(1.9)
TOTAL OTHER EXPENSE, NET	127.8	75.2	98.3
INCOME BEFORE INCOME TAXES	178.6	264.6	231.7
PROVISION FOR INCOME TAXES	73.4	107.0	89.5
NET INCOME	105.2	157.6	142.2
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST, NET OF TAX	0.4	0.1	0.1
NET INCOME ATTRIBUTABLE TO CONTROLLING INTEREST	$105.6	$157.7	$142.3
EARNINGS PER SHARE OF CLASS A AND CLASS B COMMON STOCK (NOTE 12):			
Basic	$0.68	$1.02	$0.92
Diluted	$0.68	$1.01	$0.92
AVERAGE SHARES OUTSTANDING (in thousands):			
Basic	155,287	154,826	154,174
Diluted	156,310	155,723	154,990
DIVIDENDS DECLARED PER COMMON SHARE	$1.88	$0.84	$1.84

See accompanying notes to consolidated financial statements.

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REGAL ENTERTAINMENT GROUP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Year Ended January 1, 2015	Year Ended December 26, 2013	Year Ended December 27, 2012
NET INCOME	$105.2	$157.6	$142.2
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX			
Change in fair value of interest rate swap transactions	1.1	2.3	2.8
Change in fair value of available for sale securities	1.1	(0.6)	2.0
Reclassification adjustment for gain on sale of available for sale securities recognized in net income	(0.6)	(1.2)	—
Change in fair value of equity method investee interest rate swap transactions	(0.7)	1.4	—
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX	0.9	1.9	4.8
TOTAL COMPREHENSIVE INCOME, NET OF TAX	106.1	159.5	147.0
Comprehensive loss attributable to noncontrolling interest, net of tax	0.4	0.1	0.1
COMPREHENSIVE INCOME ATTRIBUTABLE TO CONTROLLING INTEREST	$106.5	$159.6	$147.1

See accompanying notes to consolidated financial statements.

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REGAL ENTERTAINMENT GROUP
CONSOLIDATED STATEMENTS OF DEFICIT
(in millions, except amounts of cash dividends declared per share)

	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital (Deficit)	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Deficit of Regal Entertainment Group	Noncontrolling Interest	Total Deficit
	Shares	Amount	Shares	Amount						
Balances, December 29, 2011	130.9	$ 0.1	23.7	$ —	$ (623.6)	$ 12.4	$ (9.1)	$ (620.2)	$ (1.6)	$ (621.8)
Change in fair value of interest rate swap transactions, net of tax	—	—	—	—	—	—	2.8	2.8	—	2.8
Change in fair value of available for sale securities, net of tax	—	—	—	—	—	—	2.0	2.0	—	2.0
Net income attributable to controlling interest	—	—	—	—	—	142.3	—	142.3	—	142.3
Noncontrolling interest adjustments	—	—	—	—	—	—	—	—	(0.2)	(0.2)
Share-based compensation expense	—	—	—	—	8.6	—	—	8.6	—	8.6
Exercise of stock options	0.3	—	—	—	2.5	—	—	2.5	—	2.5
Tax benefits from exercise of stock options, vesting of restricted stock and other	(0.1)	—	—	—	(0.6)	—	—	(0.6)	—	(0.6)
Issuance of restricted stock	0.6	—	—	—	—	—	—	—	—	—
Extraordinary cash dividend declared, $1.00 per share	—	—	—	—	(118.2)	(37.3)	—	(155.5)	—	(155.5)
Cash dividends declared, $0.84 per share	—	—	—	—	(14.2)	(116.3)	—	(130.5)	—	(130.5)
Balances, December 27, 2012	131.7	0.1	23.7	—	(745.5)	1.1	(4.3)	(748.6)	(1.8)	(750.4)
Change in fair value of interest rate swap transactions, net of tax	—	—	—	—	—	—	2.3	2.3	—	2.3
Change in fair value of available for sale securities, net of tax	—	—	—	—	—	—	(0.6)	(0.6)	—	(0.6)
Reclassification adjustment for gain on sale of available for sale securities recognized in net income	—	—	—	—	—	—	(1.2)	(1.2)	—	(1.2)

Change in fair value of equity method investee interest rate swap transactions	—	—	—	—	—	—	1.4	1.4	—	1.4
Net income attributable to controlling interest	—	—	—	—	—	157.7	—	157.7	—	157.7
Noncontrolling interest adjustments	—	—	—	—	—	—	—	—	(0.1)	(0.1)
Share-based compensation expense	—	—	—	—	8.5	—	—	8.5	—	8.5
Exercise of stock options	0.1	—	—	—	1.3	—	—	1.3	—	1.3
Tax benefits from exercise of stock options, vesting of restricted stock and other	(0.3)	—	—	—	(3.3)	—	—	(3.3)	—	(3.3)
Issuance of restricted stock	0.6	—	—	—	—	—	—	—	—	—
Cash dividends declared, $0.84 per share	—	—	—	—	(43.9)	(87.0)	—	(130.9)	—	(130.9)
Balances, December 26, 2013	132.1	0.1	23.7	—	(782.9)	71.8	(2.4)	(713.4)	(1.9)	(715.3)
Change in fair value of interest rate swap transactions, net of tax	—	—	—	—	—	—	1.1	1.1	—	1.1
Change in fair value of available for sale securities, net of tax	—	—	—	—	—	—	1.1	1.1	—	1.1
Reclassification adjustment for gain on sale of available for sale securities recognized in net income	—	—	—	—	—	—	(0.6)	(0.6)	—	(0.6)
Change in fair value of equity method investee interest rate swap transactions	—	—	—	—	—	—	(0.7)	(0.7)	—	(0.7)
Net income attributable to controlling interest	—	—	—	—	—	105.6	—	105.6	—	105.6
Noncontrolling interest adjustments	—	—	—	—	—	—	—	—	(0.6)	(0.6)
Share-based compensation expense	—	—	—	—	7.9	—	—	7.9	—	7.9
Exercise of stock options	—	—	—	—	0.1	—	—	0.1	—	0.1
Tax benefits from exercise of stock options, vesting of restricted stock and other	(0.2)	—	—	—	(2.3)	—	—	(2.3)	—	(2.3)
Issuance of restricted stock	0.6	—	—	—	—	—	—	—	—	—
Extraordinary cash dividend declared, $1.00	—	—	—	—	(156.2)	—	—	(156.2)	—	(156.2)

per share										
Cash dividends declared, $0.88 per share	—	—	—	—	(8.4)	(129.0)	—	(137.4)	—	(137.4)
Balances, January 1, 2015	132.5	$ 0.1	23.7	$ —	$ (941.8)	$ 48.4	$ (1.5)	$ (894.8)	$ (2.5)	$ (897.3)

See accompanying notes to consolidated financial statements.

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REGAL ENTERTAINMENT GROUP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended January 1, 2015	Year Ended December 26, 2013	Year Ended December 27, 2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$105.2	$157.6	$142.2
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	207.2	200.2	183.1
Amortization of debt discount and premium, net	—	(0.2)	(0.5)
Amortization of debt acquisition costs	4.8	4.5	3.6
Share-based compensation expense	9.4	9.3	10.3
Deferred income tax provision (benefit)	6.6	(11.8)	52.4
Net loss on disposal and impairment of operating assets and other	7.3	8.4	16.2
Equity in income of non-consolidated entities	(34.1)	(33.1)	(5.8)
Gain on sale of NCM, Inc. common stock	—	(30.9)	—
Loss on extinguishment of debt	62.4	30.7	—
Gain on sale of available for sale securities	(2.0)	(2.6)	—
Non-cash rent expense	(4.0)	6.3	5.7
Cash distribution on DCIP investment	6.3	—	—
Excess cash distribution on NCM shares	14.1	10.0	7.7
Landlord contributions	8.8	3.5	—
Changes in operating assets and liabilities (excluding effects of acquisitions):			
Trade and other receivables	(4.2)	(12.9)	(4.9)
Inventories	1.3	(0.1)	(2.7)
Prepaid expenses and other assets	(1.8)	(2.4)	0.7
Accounts payable	(0.2)	2.0	(22.9)
Income taxes payable	0.3	2.5	(20.4)
Deferred revenue	(6.3)	3.3	9.5
Accrued expenses and other liabilities	(32.0)	2.6	(27.6)
NET CASH PROVIDED BY OPERATING ACTIVITIES	349.1	346.9	346.6
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(156.8)	(112.1)	(89.2)
Proceeds from disposition of assets	1.7	7.3	5.8
Investment in non-consolidated entities	(4.0)	(6.2)	(7.5)
Cash used for acquisitions, net of cash acquired	—	(194.4)	(89.7)
Distributions to partnership	(0.1)	(0.1)	(0.1)
Proceeds from sale of available for sale securities	6.0	5.9	—
Net proceeds from sale of NCM, Inc. common stock	—	40.9	—
Changes in other long-term assets	2.7	—	(2.7)
NET CASH USED IN INVESTING ACTIVITIES	(150.5)	(258.7)	(183.4)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash used to pay dividends	(294.8)	(132.2)	(287.3)
Payments on long-term obligations	(29.7)	(23.7)	(20.6)

Proceeds from stock option exercises	0.1	1.3	2.5
Cash paid for tax withholdings and other	(3.8)	(4.4)	(1.8)
Proceeds from issuance of Regal $5^3/_4$% Senior Notes Due 2022	775.0	—	—
Proceeds from issuance of Regal $5^3/_4$% Senior Notes Due 2025	—	250.0	—
Proceeds from issuance of Regal $5^3/_4$% Senior Notes Due 2023	—	250.0	—
Cash used to repurchase $9^1/_8$% Senior Notes	(336.3)	(244.3)	—
Cash used to repurchase $8^5/_8$% Senior Notes	(428.0)	—	—
Payment of debt acquisition costs	(14.9)	(13.5)	—
Excess tax benefits from share-based payment arrangements	—	—	0.5
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(332.4)	83.2	(306.7)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(133.8)	171.4	(143.5)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	280.9	109.5	253.0
CASH AND CASH EQUIVALENTS AT END OF YEAR	$147.1	$280.9	$109.5
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for income taxes	$69.0	$116.6	$46.7
Cash paid for interest	$141.2	$139.4	$141.7
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Investment in NCM	$5.9	$95.2	$0.8
Investment in AC JV, LLC	$—	$8.3	$—
Increase in property and equipment and other from amended lease financing arrangements	$14.2	$—	$—

See accompanying notes to consolidated financial statements.

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REGAL ENTERTAINMENT GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
January 1, 2015, December 26, 2013 and December 27, 2012

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 the 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") and United Artists Theatre Company ("United Artists"). The terms Regal or the Company, REH, Regal Cinemas, RCI, Edwards 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 7,367 screens in 574 theatres in 42 states along with Guam, Saipan, American Samoa and the District of Columbia as of January 1, 2015. 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 (such as fiscal 2014) results in a 53-week fiscal year. On August 27, 2014, the Company's Board of Directors approved a change in the Company’s fiscal year from a 52-53 week fiscal year ending on the first Thursday after December 25 of each year to a fiscal year ending on December 31 of each year, effective with the fiscal year commencing January 2, 2015. Beginning January 2, 2015, the Company’s quarterly results will be for three month periods ending March 31, June 30, September 30 and December 31 of each year.

During 2001 and 2002, Anschutz Company and its subsidiaries ("Anschutz") acquired controlling equity interests in United Artists, Edwards and RCI upon each of the entities' emergence from bankruptcy reorganization. In May 2002, the Company sold 18.0 million shares of its Class A common stock in an initial public offering at a price of $19.00 per share, receiving aggregate net offering proceeds, net of underwriting discounts, commissions and other offering expenses, of $314.8 million.

On October 27, 2014, the Company announced that its Board of Directors authorized the exploration of strategic alternatives to enhance shareholder value, which included a potential sale of the Company. On January 15, 2015, the Company announced that its Board of Directors, in the course of its examination of strategic alternatives and with the advice of Morgan Stanley & Co. LLC after a thorough market review, has determined that a sale of the Company would not be in the best interest of its shareholders at such time. The Company's Board of Directors, consistent with its fiduciary duties, remains committed to evaluating any alternatives that would enhance shareholder value.

Certain amounts in prior fiscal years have been reclassified to conform with the presentation adopted in the current year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Regal and its subsidiaries. Majority-owned subsidiaries that the Company controls are consolidated while those affiliates of which the Company owns between 20% and 50% and does not control are accounted for under the equity method. Those affiliates of which the Company owns less than 20% are generally accounted for under the cost method, unless the Company is deemed to have the ability to exercise significant influence over the affiliate, in which case the Company would account for its investment under the equity method. The results of these subsidiaries and affiliates are included in the consolidated financial statements effective with their formation or from their dates of acquisition. All significant intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition

Revenues are generated principally through admissions and concessions sales with proceeds received in cash or via credit card at the point of sale. Other operating revenues consist primarily of product advertising (including vendor marketing programs) and other ancillary revenues that are recognized as income in the period earned. The Company generally recognizes payments received attributable to the marketing and advertising services provided by the Company under certain vendor programs as revenue in the periods in which the advertising is displayed or when the related impressions are delivered. Such impressions are measured by the concession product sales volume, which is a mutually agreed upon proxy of attendance and reflects the Company's marketing and advertising services delivered to its vendors. In instances where the consideration received is in excess of fair value of the advertising services provided, the excess is recorded as a reduction of concession costs.

The Company maintains a deferred revenue balance pertaining to cash received from the sale of discount tickets and gift cards that have not been redeemed. The Company recognizes revenue associated with discount tickets and gift cards when redeemed, or when the likelihood of redemption becomes remote. The determination of the likelihood of redemption is based on an analysis of historical redemption trends. Amortization of deferred revenue related to the amount we received for agreeing to the existing National CineMedia exhibitor services agreement modification and amounts recorded in connection with the receipt of newly issued common units of National CineMedia pursuant to the provisions of the Common Unit Adjustment Agreement are described below in this Note 2 under "Deferred Revenue" and in Note 4—"Investments."

Cash Equivalents

The Company considers all unrestricted highly liquid debt instruments and investments purchased with an original maturity of 3 months or less to be cash equivalents. At January 1, 2015, the Company held substantially all of its cash in temporary cash investments in the form of certificates of deposit and variable rate investment accounts with major financial institutions.

Inventories

Inventories consist of concession products and theatre supplies. The Company states inventories on the basis of first-in, first-out (FIFO) cost, which is not in excess of net realizable value.

Property and Equipment

The Company states property and equipment at cost. Major renewals and improvements are capitalized, while maintenance and repairs that do not improve or extend the lives of the respective assets are expensed currently. Gains and losses from disposition of property and equipment are included in income and expense when realized.

The Company capitalizes the cost of computer equipment, system hardware and purchased software ready for service. During the years ended January 1, 2015 and December 26, 2013, the Company capitalized approximately $21.7 million and $22.4 million, respectively, of such costs, which were associated primarily with (i) new point-of-sale devices at the Company's box offices and concession stands, (ii) new ticketing kiosks, and (iii) computer hardware and software purchased for the Company's theatre locations and corporate office. The Company also capitalizes certain direct external costs associated with software developed for internal use after the preliminary software project stage is completed and Company management has authorized further funding for a software project and it is deemed probable of completion. The Company capitalizes these external software development costs only until the point at which the project is substantially complete and the software is ready for its intended purpose.

The Company records depreciation and amortization using the straight-line method over the following estimated useful lives:

Buildings	20 - 30 years
Equipment	3 - 20 years
Leasehold improvements	Lesser of term of lease or asset life
Computer equipment and software	3 - 5 years

As of January 1, 2015 and December 26, 2013, included in property and equipment is $183.2 million and $171.0 million of assets accounted for under capital leases and lease financing arrangements, before accumulated depreciation of $87.4 million and $73.7 million, respectively. The Company records amortization using the straight-line method over the shorter of the lease terms or the estimated useful lives noted above.

Impairment of Long-Lived Assets

The Company reviews long-lived assets (including intangible assets, marketable equity securities and investments in non-consolidated entities as described further below) for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. The Company generally evaluates assets for impairment on an individual theatre basis, which management believes is the lowest level for which there are identifiable cash flows. If the sum of the expected future cash flows, undiscounted and without interest charges, is less than the carrying amount of the assets, the Company recognizes an impairment charge in the amount by which the carrying value of the assets exceeds their fair market value.

The Company considers historical theatre level cash flows, estimated future theatre level cash flows, theatre property and equipment carrying values, intangible asset carrying values, the age of the theatre, competitive theatres in the marketplace, the impact of recent ticket price changes, strategic initiatives, available lease renewal options and other factors considered relevant in its assessment of whether or not a triggering event has occurred that indicates impairment of individual theatre assets may be necessary. For theatres where a triggering event is identified, impairment is measured 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 unless it is probable the lease period will be extended and may be less than the remaining lease period when the Company does not expect to operate the theatre to the end of its lease term. The fair value of assets is determined using the present value of the estimated future cash flows or the expected selling price less selling costs for assets of which the Company expects to dispose. Significant judgment is involved in determining whether a triggering event has occurred, estimating future cash flows and determining fair value. Management's estimates (Level 3 inputs as described in FASB Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurements and Disclosures) are based on historical and projected operating performance, recent market transactions, and current industry trading multiples.

Triggering events identified resulted in the recording of impairment charges of $5.6 million, $9.5 million and $11.1 million for the years ended January 1, 2015, December 26, 2013 and December 27, 2012, respectively. The long-lived asset impairment charges recorded during each of the periods presented are specific to theatres that were directly and individually impacted by increased competition, adverse changes in market demographics or adverse changes in the development or the conditions of the areas surrounding the theatre.

Leases

The majority of the Company's operations are conducted in premises occupied under non-cancelable lease agreements with initial base terms generally ranging from 15 to 20 years. The Company, at its option, can renew a substantial portion of the leases at defined or then fair rental rates for various periods. Certain leases for Company theatres provide for contingent rentals based on the revenue results of the underlying theatre and require the payment of taxes, insurance, and other costs applicable to the property. Also, certain leases contain escalating minimum rental provisions. There are no conditions imposed upon us by our lease agreements or by parties other than the lessor that legally obligate the Company to incur costs to retire assets as a result of a decision to vacate our leased properties. None of our lease agreements require us to return the leased property to the lessor in its original condition (allowing for normal wear and tear) or to remove leasehold improvements at our cost.

The Company accounts for leased properties under the provisions of ASC Topic 840, Leases and other authoritative accounting literature. ASC Subtopic 840-10, Leases—Overview requires that the Company evaluate each lease for classification as either a capital lease or an operating lease. The Company performs this evaluation at the inception of the lease and when a modification is made to a lease. As to those arrangements that are classified as capital leases, the Company records property under capital leases and a capital lease obligation in an amount equal to the lesser of the present value of the minimum lease payments to be made over the life of the lease at the beginning of the lease term, or the fair value of the leased property. The property under capital lease is amortized on a straight-line basis as a charge to expense over the lease term, as defined, or the economic life of the leased property, whichever is less. During the lease term, as defined, each minimum lease payment is allocated between a reduction of the lease obligation and interest expense so as to produce a constant periodic rate of interest on the remaining balance of the lease obligation. The Company does not believe that exercise of the renewal options in its leases are reasonably assured at the inception of the lease agreements because such leases: (i) provide for either (a) renewal rents based on market rates or (b) renewal rents that equal or exceed the initial rents, and (ii) do not impose economic penalties upon the determination whether or not to exercise the renewal option. As a result, there are not sufficient economic incentives at the inception of the leases to consider the lease renewal options to be reasonably assured of being exercised and therefore, the initial base term is generally considered as the lease term under ASC Subtopic 840-10.

The Company records rent expense for its operating leases with contractual rent increases in accordance with ASC Subtopic 840-20, Leases—Operating Leases, on a straight-line basis from the "lease commencement date" as specified in the lease agreement until the end of the base lease term.

For leases in which the Company is involved with construction of the theatre, the Company accounts for the lease during the construction period under the provisions of ASC Subtopic 840-40, Leases—Sale-Leaseback Transactions. The landlord is typically responsible for constructing a theatre using guidelines and specifications agreed to by the Company and assumes substantially all of the risk of construction. In accordance with ASC Subtopic 840-40, if the Company concludes that it has substantially all of the construction period risks, it records a construction asset and related liability for the amount of total project costs incurred during the construction period. Once construction is completed, the Company considers the requirements under ASC Subtopic 840-40, for sale-leaseback treatment, and if the arrangement does not meet such requirements, it records the project's construction costs funded by the landlord as a financing obligation. The obligation is amortized over the financing term based on the payments designated in the contract.

In accordance with ASC Subtopic 840-20, we expense rental costs incurred during construction periods for operating leases as such costs are incurred. For rental costs incurred during construction periods for both operating and capital leases, the "lease commencement date" is the date at which we gain access to the leased asset. Historically, and for the years ended January 1, 2015, December 26, 2013 and December 27, 2012, these rental costs have not been significant to our consolidated financial statements.

Sale and Leaseback Transactions

The Company accounts for the sale and leaseback of real estate assets in accordance with ASC Subtopic 840-40. Losses on sale leaseback transactions are recognized at the time of sale if the fair value of the property sold is less than the undepreciated cost of the property. Gains on sale and leaseback transactions are deferred and amortized over the remaining lease term.

Goodwill

The carrying amount of goodwill at January 1, 2015 and December 26, 2013 was approximately $320.4 million. The Company evaluates goodwill for impairment annually or more frequently as specific events or circumstances dictate. Under ASC Subtopic 350-20, Intangibles—Goodwill and Other—Goodwill, the Company has identified its reporting units to be the designated market areas in which the Company conducts its theatre operations. Goodwill impairment is evaluated using a two-step approach requiring the Company to compute the fair value of a reporting unit and compare it with its carrying value. If the carrying value of the reporting unit exceeds its estimated fair value, a second step is performed to measure the potential goodwill impairment. The Company determines fair value by using an enterprise valuation methodology determined by applying multiples to cash flow estimates less net indebtedness, which the Company believes is an appropriate method to determine fair value. There is considerable management judgment with respect to cash flow estimates and appropriate multiples and discount rates to be used in determining fair value and such management estimates fall under Level 3 within the fair value measurement hierarchy.

As part of the Company’s ongoing operations, we may close certain theatres within a reporting unit containing goodwill due to underperformance of the theatre or inability to renew our lease, among other reasons. Additionally, we generally abandon certain assets associated with a closed theatre, primarily leasehold improvements. Under ASC Topic 350, Intangibles—Goodwill and Other, when a portion of a reporting unit that constitutes a business is disposed of, goodwill associated with that business shall be included in the carrying amount of the business in determining the gain or loss on disposal. We evaluate whether the portion of a reporting unit being disposed of constitutes a business on the date of closure. Generally, on the date of closure, the closed theatre does not constitute a business because the

Company retains assets and processes on that date essential to the operation of the theatre. These assets and processes are significant missing elements impeding the operation of a business. Accordingly, when closing individual theatres, we generally do not include goodwill in the calculation of any gain or loss on disposal of the related assets.

The Company's annual goodwill impairment assessments for the years ended January 1, 2015, December 26, 2013 and December 27, 2012 indicated that the fair value of each of its reporting units exceeded their carrying value and therefore, goodwill was not deemed to be impaired.

Intangible Assets

As of January 1, 2015 and December 26, 2013, intangible assets totaled $67.1 million before accumulated amortization of $13.2 million and $9.4 million, respectively. Intangible assets are recorded at fair value and are amortized on a straight-line basis over the estimated remaining useful lives of the assets. In connection with the acquisition of Consolidated Theatres in fiscal 2008, the Company acquired identifiable intangible assets totaling $9.9 million, related to favorable leases with a weighted average amortization period of 13.1 years. During fiscal 2010, the Company acquired identifiable intangible assets totaling $14.4 million, related to favorable leases with a weighted average amortization period of 35 years, in connection with its acquisition of eight theatres acquired from AMC. During fiscal 2012, the Company acquired identifiable intangible assets totaling $8.1 million, related to favorable leases with a weighted average amortization period of 22 years, in connection with its acquisition of Great Escape Theatres (as described further under Note 3—"Acquisitions"). Finally, the Company acquired identifiable intangible assets totaling $34.4 million, related to favorable leases with a weighted average amortization period of 18 years, in connection with its acquisition of Hollywood Theaters during fiscal 2013 (see Note 3—"Acquisitions"). During the years ended January 1, 2015, December 26, 2013 and December 27, 2012, the Company recognized $3.7 million, $3.3 million and $1.1 million of amortization, respectively, related to these intangible assets.

Estimated amortization expense for the next five fiscal years for such intangible assets as of January 1, 2015 is projected below (in millions):

2015	$3.9
2016	3.9
2017	3.7
2018	3.6
2019	3.5

During the year ended December 26, 2013, the Company recorded an impairment charge of approximately $1.5 million pertaining to certain favorable leases associated with the acquisition of Consolidated Theatres. The Company did not record an impairment of any intangible assets during the years ended January 1, 2015 and December 27, 2012.

Debt Acquisition Costs

Other non-current assets include debt acquisition costs, which are deferred and amortized over the terms of the related agreements using a method that approximates the effective interest method. Debt acquisition costs as of January 1, 2015 and December 26, 2013 were approximately $45.1 million and $45.3 million, before accumulated amortization of $17.1 million and $19.2 million, respectively.

Investments

The Company accounts for its investments in non-consolidated subsidiaries using the equity method of accounting and has recorded the investments within "Other Non-Current Assets" in its consolidated balance sheets. The Company records equity in earnings and losses of these entities in its consolidated statements of income. As of January 1, 2015, the Company holds a 20.1% interest in National CineMedia, LLC ("National CineMedia" or "NCM"), a 46.7% interest in Digital Cinema Implementation Partners, LLC, a 50% interest in Open Road Films, a 32% interest in AC JV, LLC and a 14.6% interest in Digital Cinema Distribution Coalition (each as described further under Note 4—"Investments"). In addition, the Company holds an investment in available-for-sale equity securities of RealD, Inc., an entity specializing in the licensing of 3D technologies. See Note 13—"Fair Value of Financial Instruments" for a discussion of fair value estimation methods and assumptions with respect to the Company's investment in RealD, Inc. The carrying value of the Company's investment in these entities as of January 1, 2015 was approximately $288.2 million.

The Company reviews investments in non-consolidated subsidiaries accounted for under the equity method for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be fully recoverable. The Company reviews unaudited financial statements on a quarterly basis and audited financial statements on an annual basis for indicators of triggering events or circumstances that indicate the potential impairment of these investments as well as current equity prices for its investment in National CineMedia and RealD, Inc. and discounted projections of cash flows for certain of its other investees. Additionally, the Company has periodic discussions with the management of significant investees to assist in the identification of any factors that might indicate the potential for impairment. In order to determine whether the carrying value of investments may have experienced an other-than-temporary decline in value necessitating the write-down of the recorded investment, the Company considers various factors, including the period of time during which the fair value of the investment remains substantially below the recorded amounts, the investees financial condition and quality of assets, the length of time the investee has been operating, the severity and nature of losses sustained in current and prior years, a reduction or cessation in the investees dividend payments, suspension of trading in the security, qualifications in accountant's reports due to liquidity or going concern issues, investee announcement of adverse changes, downgrading of investee debt, regulatory actions, changes in reserves for product liability, loss of a principal customer, negative operating cash flows or working capital deficiencies and the recording of an impairment charge by the investee for goodwill, intangible or long-lived assets. Once a determination is made that an other-than-temporary impairment exists, the Company writes down its investment to fair value.

There was no impairment of the Company's investments during the years ended January 1, 2015, December 26, 2013 and December 27, 2012.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records a valuation allowance if it is deemed more likely than not that its deferred income tax assets will not be realized. The Company expects that certain deferred income tax assets are not more likely than not to be recovered and therefore has established a valuation allowance. The Company reassesses its need for the valuation allowance for its deferred income taxes on an ongoing basis.

Additionally, income tax rules and regulations are subject to interpretation, require judgment by the Company and may be challenged by the taxation authorities. As described further in Note 7—"Income Taxes," the Company applies the provisions of ASC Subtopic 740-10, Income Taxes—Overview. In accordance with ASC Subtopic 740-10, the Company recognizes a tax benefit only for tax positions that are determined to be more likely than not sustainable based on the technical merits of the tax position. With respect to such tax positions for which recognition of a benefit is appropriate, the benefit is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Tax positions are evaluated on an ongoing basis as part of the Company's process for determining the provision for income taxes.

Interest Rate Swaps

Regal Cinemas has entered into hedging relationships via interest rate swap agreements to hedge against interest rate exposure of its variable rate debt obligations. Our interest rate swaps settle any accrued interest for cash on the last day of each calendar month or calendar quarter, as applicable, until expiration. At such dates, the differences to be paid or received on the interest rate swaps will be included in interest expense. The interest rate swaps qualify for cash flow hedge accounting treatment and as such, the change in the fair values of the interest rate swaps is recorded on the Company's consolidated balance sheet as an asset or liability with the effective portion of the interest rate swaps' gains or losses reported as a component of other comprehensive income and the ineffective portion reported in earnings. As interest expense is accrued on the debt obligation, amounts in accumulated other comprehensive income/loss related to the interest rate swaps will be reclassified into earnings to obtain a net cost on the debt obligation equal to the effective yield of the fixed rate of each swap. In the event that an interest rate swap is terminated prior to maturity, gains or losses accumulated in other comprehensive income or loss remain deferred and are reclassified into earnings in the periods during which the hedged forecasted transaction affects earnings. The fair value of the Company's interest rate swaps is based on Level 2 inputs as described in ASC Topic 820, Fair Value Measurements and Disclosures, which include observable inputs such as dealer quoted prices for similar assets or liabilities, and represents the estimated amount Regal Cinemas would receive or pay to terminate the agreements taking into consideration various factors, including current interest rates, credit risk and counterparty credit risk. The counterparties to the Company's interest rate swaps are major financial institutions. The Company evaluates the bond ratings of the financial institutions and believes that credit risk is at an acceptably low level.

Deferred Revenue

Deferred revenue relates primarily to the amount we received for agreeing to the existing National CineMedia exhibitor services agreement ("ESA") modification and amounts recorded in connection with the receipt of newly issued common units of National CineMedia pursuant to the provisions of the Common Unit Adjustment Agreement described in Note 4

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—"Investments," cash received from the sale of discount tickets and gift cards, amounts received in connection with vendor marketing programs, and the amount we received related to the sale of our equity interest in Fandango. Deferred revenue related to gift cards and discount ticket sales and vendor marketing programs are recognized as revenue as described above in this Note 2 under "Revenue Recognition." The amount we received for agreeing to the ESA modification will be amortized to advertising revenue over the 30 year term of the agreement following the units of revenue method. In addition, as described in Note 4—"Investments," amounts recorded as deferred revenue in connection with the receipt of newly issued common units of National CineMedia pursuant to the provisions of the Common Unit Adjustment Agreement will be amortized to advertising revenue over the remaining term of the ESA following the units of revenue method. As of January 1, 2015 and December 26, 2013, approximately $428.5 million and $432.2 million of deferred revenue, respectively, related to the ESA was recorded as components of current and non-current deferred revenue in the accompanying consolidated balance sheets.

Deferred Rent

The Company recognizes rent on a straight-line basis after considering the effect of rent escalation provisions resulting in a level monthly rent expense for each lease over its term. The deferred rent liability is included in other non-current liabilities in the accompanying consolidated balance sheets.

Film Costs

The Company estimates its film cost expense and related film cost payable based on management's best estimate of the ultimate settlement of the film costs with the distributors. Generally, less than one-third of our quarterly film expense is estimated at period-end. The length of time until these costs are known with certainty depends on the ultimate duration of the film's theatrical run, but is typically "settled" within 2 to 3 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.

Loyalty Program

Members of the Regal Crown Club® earn credits for each dollar spent at the Company's theatres and earn concession or ticket awards based on the number of credits accumulated. Because the Company believes that the value of the awards granted to Regal Crown Club® members is insignificant in relation to the value of the transactions necessary to earn the award, the Company records the estimated incremental cost of providing awards under the Regal Crown Club® loyalty program at the time the awards are earned. Historically, and for the years ended January 1, 2015, December 26, 2013 and December 27, 2012, the costs of these awards have not been significant to the Company's consolidated financial statements.

Advertising and Start-Up Costs

The Company expenses advertising costs as incurred. Start-up costs associated with a new theatre are also expensed as incurred.

Stock-Based Compensation

As described in Note 9—"Capital Stock And Share-Based Compensation," we apply the provisions of ASC Subtopic 718-10, Compensation—Stock Compensation—Overall. Under ASC Subtopic 718-10, share-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the employee's requisite service period.

Under ASC Subtopic 718-10, the Company elected to adopt the alternative transition method for calculating the tax effects of share-based compensation. The alternative transition method includes a simplified method to establish the beginning balance of the additional paid-in capital pool related to the tax effects of employee share-based compensation, which is available to absorb tax deficiencies that could be recognized subsequent to the adoption of ASC Subtopic 718-10.

Estimates

The preparation of financial statements in conformity with U.S generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include, but are not limited to, those related to film costs, property and equipment, goodwill, income taxes and purchase accounting. Actual results could differ from those estimates.

Segments

As of January 1, 2015, December 26, 2013 and December 27, 2012, the Company managed its business under one reportable segment: theatre exhibition operations.

Acquisitions

The Company accounts for acquisitions under the acquisition method of accounting. The acquisition method requires that the acquired assets and liabilities, including contingencies, be recorded at fair value determined on the acquisition date and changes thereafter reflected in income. For significant acquisitions, the Company obtains independent third party valuation studies for certain of the assets acquired and liabilities assumed to assist the Company in determining fair value. The estimation of the fair values of the assets acquired and liabilities assumed involves a number of estimates and assumptions that could differ materially from the actual amounts recorded. The results of the acquired businesses are included in the Company's results from operations beginning from the day of acquisition.

Comprehensive Income

Total comprehensive income for the years ended January 1, 2015, December 26, 2013 and December 27, 2012 was $106.1 million, $159.5 million and $147.0 million, respectively. Total comprehensive income consists of net income and other comprehensive income, net of tax, related to the change in the aggregate unrealized gain/loss on the Company's interest rate swap arrangement, the change in fair value of available for sale equity securities (including other-than-temporary impairments), the reclassification adjustment for gain on sale of available for sale securities recognized in net income and the change in fair value of equity method investee interest rate swap transactions during each of the years ended January 1, 2015, December 26, 2013 and December 27, 2012. The Company's interest rate swap arrangements and available for sale equity securities are further described in Note 5—"Debt Obligations" and Note 13—"Fair Value of Financial Instruments."

Recent Accounting Pronouncements

In February 2013, the FASB issued ASU 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income. Under ASU 2013-02, an entity is required to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures that provide additional detail about those amounts. ASU 2013-02 became effective for the Company as of the beginning of fiscal 2013 and has been applied retrospectively.

In July 2013, the Financial Accounting Standards Board ("FASB") issued ASU 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit

Carryforward Exists. The amendments in ASU 2013-11 require an entity to present an unrecognized tax benefit in the financial statements as a reduction to a deferred tax asset for a net operating loss ("NOL") carryforward, a similar tax loss, or a tax credit carryforward except when: (1) a NOL carryforward, a similar tax loss, or a tax credit carryforward is not available as of the reporting date under the governing tax law to settle taxes that would result from the disallowance of the tax position; or (2) the entity does not intend to use the deferred tax asset for this purpose (provided that the tax law permits a choice). If either of these conditions exists, an entity should present an unrecognized tax benefit in the financial statements as a liability and should not net the unrecognized tax benefit with a deferred tax asset. The amendment does not affect the recognition or measurement of uncertain tax positions under ASC Topic 740, Income Taxes. The amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. ASU 2013-11 became effective for the Company as of the beginning of fiscal 2014 and has been applied prospectively.

In April 2014, the FASB issued ASU 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. ASU 2014-08 changes the requirements for reporting discontinued operations and includes enhanced disclosures about discontinued operations. Under the update, only those disposals of components of an entity that represent a strategic shift that has a major effect on an entity's operations and financial results will be reported as discontinued operations in the financial statements. ASU 2014-08 is effective prospectively for annual reporting periods beginning on or after December 15, 2014, and interim reporting periods within those years. Early adoption is permitted. The Company expects to adopt ASU 2014-08 as of the beginning of fiscal 2015 and it does not anticipate the adoption of ASU 2014-08 to have a material impact on the Company's consolidated financial statements and related disclosures.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for the Company for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the impact that ASU 2014-09 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

In June 2014, the FASB issued ASU 2014-12, Compensation-Stock Compensation (Topic 718). ASU 2014-12 is intended to resolve the diverse accounting treatment of share-based awards that require a specific performance target to be achieved in order for employees to become eligible to vest in the awards. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period for which the requisite service has already been rendered. ASU 2014-12 is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Early adoption is permitted. The Company expects to apply the amendments prospectively to all awards granted or modified after the effective date and expects to adopt ASU 2014-12 as of the beginning of fiscal 2016. The Company does not anticipate the adoption of ASU 2014-12 to have a material impact on the Company's consolidated financial statements and related disclosures.

3. ACQUISITIONS

Acquisition of Hollywood Theaters

On March 29, 2013, Regal completed the acquisition of Hollywood Theaters, whereby it acquired a total of 43 theatres with 513 screens for an aggregate net cash purchase price of $194.4 million. In addition, the Company assumed approximately $47.9 million of capital lease and lease financing obligations, and certain working capital. The cash portion of the purchase price included repayment of approximately $167.0 million of the sellers’ debt. The acquisition of Hollywood Theaters enhanced the Company’s presence in 16 states and 3 U.S. territories. The Company incurred approximately $3.0 million in transaction costs in connection with this transaction. The aggregate net cash purchase price was allocated to the identifiable assets acquired and liabilities assumed for each of the respective theatre locations based on their estimated fair values at the date of acquisition using the acquisition method of accounting. The allocation of the purchase price is based on management's judgment after evaluating several factors, including an independent third party valuation. The results of operations of the acquired theatres have been included in the Company's consolidated financial statements for periods subsequent to the acquisition date.

The following is a summary of the final allocation of the aggregate net cash purchase price to the estimated fair values of the identifiable assets acquired and liabilities assumed that have been recognized by the Company in its consolidated balance sheet as of the date of acquisition (in millions):

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REGAL ENTERTAINMENT GROUP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
January 1, 2015, December 26, 2013 and December 27, 2012

Current assets	$8.7
Property and equipment	143.2
Favorable leases and other intangible assets	35.6
Goodwill	46.4
Deferred income tax asset	35.8
Other assets	0.2
Current liabilities	(14.2)
Lease financing obligations	(40.4)
Capital lease obligations	(7.5)
Unfavorable leases	(10.7)
Other liabilities	(2.7)
Total purchase price	$194.4

The transaction included the assumption of lease financing obligations associated with 14 acquired theatres and various capital lease obligations, which are presented in the Company's consolidated balance sheets. Such obligations have a weighted average interest rate of approximately 10.7% and mature in various installments through December 2030. In addition, the transaction included the acquisition of favorable leases (approximately $34.4 million) and unfavorable leases (approximately $10.7 million), which are presented in the Company's consolidated balance sheet as a component of "Intangible Assets, net" and "Other Non-Current Liabilities," respectively. The weighted average amortization period for the favorable leases and the unfavorable leases are approximately 18 years and 15 years, respectively. Goodwill represents the excess purchase price over the amounts assigned to assets acquired, including intangible assets, and liabilities assumed and is not deductible for tax purposes.

Acquisition of Great Escape Theatres

On November 29, 2012, Regal completed the acquisition of Great Escape Theatres, whereby it acquired a total of 25 theatres with 301 screens for an aggregate net cash purchase price, after post-closing adjustments, of $90.0 million. The transaction involved multiple sellers and the aggregate purchase price included repayment of the sellers' debt and the assumption of working capital. The sellers maintained an interest in the real property associated with seven of the acquired theatres. The acquisition of the Great Escape circuit enhanced the Company's presence in Georgia, Illinois, Indiana, Kentucky, Missouri, Nebraska, Ohio, Pennsylvania, South Carolina, Tennessee and West Virginia. The aggregate net cash purchase price was allocated to the identifiable assets acquired and liabilities assumed for each of the respective theatre locations based on their estimated fair values at the date of acquisition using the acquisition method of accounting. The allocation of the purchase price is based on management's judgment after evaluating several factors, including an independent third party valuation. The results of operations of the acquired theatres have been included in the Company's consolidated financial statements for periods subsequent to the acquisition date.

The following is a summary of the final allocation of the aggregate net cash purchase price to the estimated fair values of the identifiable assets acquired and liabilities assumed that have been recognized by the Company in its consolidated balance sheet as of the date of acquisition (in millions):

Current assets	$2.9
Property and equipment, net	22.0
Favorable leases	8.1
Goodwill	89.0
Current liabilities	(5.9)

Unfavorable leases	(26.1)
Total purchase price	$90.0

The transaction included the acquisition of certain favorable leases and unfavorable leases, which are presented in the Company's consolidated balance sheet as a component of "Intangible Assets, net" and "Other Non-Current Liabilities," respectively. The weighted average amortization period for the favorable leases and the unfavorable leases are approximately 22 years and 15 years, respectively. Goodwill represents the excess purchase price over the amounts assigned to assets acquired, including intangible assets, and liabilities assumed. The goodwill recorded is fully deductible for tax purposes.

4. INVESTMENTS

Investment in National CineMedia, LLC

We maintain an investment in National CineMedia. National CineMedia concentrates on in-theatre advertising for its theatrical exhibition partners, which includes us, AMC and Cinemark.

On February 13, 2007, National CineMedia, Inc. ("NCM, Inc."), the sole manager of National CineMedia, completed an initial public offering ("IPO") of its common stock. NCM, Inc. sold 38.0 million shares of its common stock for $21 per share in the IPO, less underwriting discounts and expenses. NCM, Inc. used a portion of the net cash proceeds from the IPO to acquire newly issued common units from National CineMedia. At the closing of the IPO, the underwriters exercised their over-allotment option to purchase an additional 4.0 million shares of common stock of NCM, Inc. at the initial offering price of $21 per share, less underwriting discounts and commissions. In connection with this over-allotment option exercise, Regal, AMC and Cinemark each sold to NCM, Inc. common units of National CineMedia on a pro rata basis at the initial offering price of $21 per share, less underwriting discounts and expenses. Upon completion of this sale of common units, Regal held approximately 21.2 million common units of National CineMedia ("Initial Investment Tranche"). Such common units are immediately redeemable on a one-to-one basis for shares of NCM, Inc. common stock.

As a result of the transactions associated with the IPO and receipt of proceeds in excess of our investment balance, the Company reduced its investment in National CineMedia to zero. Accordingly, we will not provide for any additional losses as we have not guaranteed obligations of National CineMedia and we are not otherwise committed to provide further financial support for National CineMedia. In addition, subsequent to the IPO, the Company determined it would not recognize its share of any undistributed equity in the earnings of National CineMedia pertaining to the Company's Initial Investment Tranche in National CineMedia until National CineMedia's future net earnings, net of distributions received, equal or exceed the amount of the above described excess distribution. Until such time, equity in earnings related to the Company's Initial Investment Tranche in National CineMedia will be recognized only to the extent that the Company receives cash distributions from National CineMedia. The Company believes that the accounting model provided by ASC 323-10-35-22 for recognition of equity investee losses in excess of an investor's basis is analogous to the accounting for equity income subsequent to recognizing an excess distribution. The Company's Initial Investment Tranche is recorded at $0 cost.

In connection with the completion of the IPO, the joint venture partners, including RCI, amended and restated their exhibitor services agreements with National CineMedia in exchange for a significant portion of its pro rata share of the IPO proceeds. The modification extended the term of the exhibitor services agreement ("ESA") to 30 years, provided National CineMedia with a 5-year right of first refusal beginning one year prior to the end of the term and changed the basis upon which RCI is paid by National CineMedia from a percentage of revenues associated with advertising contracts entered into by National CineMedia to a monthly theatre access fee. The theatre access fee is composed of a fixed $0.0756 payment per patron which will increase by 8% every 5 years and starting at the end of fiscal 2011, a fixed $800 payment per digital screen each year, which will increase by 5% annually starting at the end of fiscal 2007 (or $1,126 for fiscal 2014) and an additional payment per digital screen of $579 for fiscal 2014. The access fee revenues received by the Company under its contract are determined annually based on a combination of both fixed and variable factors which include the total number of theatre screens, attendance and actual revenues (as defined in the ESA) generated by National CineMedia. The ESA does not require us to maintain a minimum number of screens and does not provide a fixed amount of access fee revenue to be earned by the Company in any period. The theatre access fee paid in the aggregate to us, AMC 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. On-screen advertising time provided to our beverage concessionaire is provided by National CineMedia under the terms of the ESA. In addition, we receive mandatory quarterly distributions of any excess cash from National CineMedia.

The amount we received for agreeing to the ESA modification was approximately $281.0 million, which represents the estimated fair value of the ESA modification payment. We estimated the fair value of the ESA payment based upon a valuation performed by the Company with the assistance of third party specialists. This amount has been recorded as deferred revenue and will be amortized to advertising revenue over the 30 year term of the ESA following 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.

Also 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. Historically, each of the joint venture partners has increased the number of screens it operates through acquisitions and newly built theatres. Since the increased attendance associated with these incremental screens in turn provides for additional advertising revenues to National CineMedia, National CineMedia agreed to compensate the joint venture partners by issuing additional common membership units to the joint venture partners in consideration for their increased attendance from newly built theatres and acquisitions and overall contribution to the joint venture. The Common Unit Adjustment Agreement also provides protection to National CineMedia in that the joint venture partners may be required to transfer or surrender common units to National CineMedia based on certain limited events, including declines in attendance associated with certain closed theatres and the number of screens operated. As a result, each joint venture partner's equity ownership interests are proportionately adjusted to reflect the risks and rewards relative to their contributions to the joint venture.

The Common Unit Adjustment Agreement provides that transfers of common units are permitted solely between the joint venture partners and National CineMedia. There are no transfers of units among the joint venture partners. In addition, there are no circumstances under which common units would be surrendered by the Company to National CineMedia in the event of an acquisition by one of the joint venture partners. However, adjustments to the common units owned by one of the joint venture partners will result in an adjustment to the Company's equity ownership interest percentage in National CineMedia.

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 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. In the event that a common unit adjustment is determined to be a negative number, the joint venture partner shall cause, at its election, either (a) the transfer and surrender to National CineMedia a number of common units equal to all or part of such joint venture partner's common unit adjustment or (b) pay to National CineMedia, an amount equal to such joint venture partner's common unit adjustment calculated in accordance with the Common Unit Adjustment Agreement. If the Company elects to surrender common units as part of a negative common unit adjustment, the Company would record a reduction to deferred revenue at the then fair value of the common units surrendered and a reduction of the Company’s Additional Investments Tranche at an amount equal to the weighted average cost for the Additional Investments Tranche common units, with the difference between the two values recorded as a non-operating gain or loss.

As described further below, subsequent to the IPO and through January 1, 2015, the Company received from National CineMedia approximately 11.2 million newly issued common units of National CineMedia ("Additional Investments Tranche") as a result of the adjustment provisions of the Common Unit Adjustment Agreement. The Company follows the guidance in ASC 323-10-35-29 (formerly EITF 2-18, Accounting for Subsequent Investments in an Investee after Suspension of Equity Loss Recognition) by analogy, which also refers to AICPA Technical Practice Aid 2220.14, which indicates that if a subsequent investment is made in an equity method investee that has experienced significant losses, the investor must determine if the subsequent investment constitutes funding of prior losses. The Company concluded that the construction or acquisition of new theatres that has led to the common unit adjustments included in its Additional Investments Tranche equates to making additional investments in National CineMedia. The Company evaluated the receipt of the additional common units in National CineMedia and the assets exchanged for these additional units and has determined that the right to use its incremental new screens would not be considered funding of prior losses. As such, the Additional Investments Tranche is accounted for separately from the Company's Initial Investment Tranche following the equity method with undistributed equity earnings included as a component of "Earnings recognized from NCM" in the accompanying consolidated financial statements.

The NCM, Inc. IPO and related transactions have the effect of reducing the amounts NCM, Inc. would otherwise pay in the future to various tax authorities as a result of an increase in Regal's proportionate share of tax basis in NCM Inc.'s tangible and intangible assets. On the IPO date, NCM, Inc., the Company, AMC and Cinemark entered into a tax receivable agreement. Under the terms of this agreement, NCM, Inc. will make cash payments to us, AMC and Cinemark in amounts equal to 90% of NCM, Inc.'s actual tax benefit realized from the tax amortization of the intangible assets described above. For purposes of the tax receivable agreement, cash savings in income and franchise tax will be computed by comparing NCM, Inc.'s actual income and franchise tax liability to the amount of such taxes that NCM, Inc. would have been required to pay had there been no increase in NCM Inc.'s proportionate share of tax basis in NCM's tangible and intangible assets and had the tax receivable agreement not been entered into. The tax receivable agreement shall generally apply to NCM, Inc.'s taxable years up to and including the 30th anniversary date of the NCM, Inc. IPO and related transactions. Pursuant to the terms of the tax receivable agreement, the Company received payments of $12.0 million from NCM, Inc. during the year ended January 1, 2015 with respect to NCM, Inc.'s 2012 and 2013 taxable years. The Company received payments of $4.6 million from NCM, Inc. during the year ended December 26, 2013 with respect to NCM, Inc.'s 2010, 2011 and 2012 taxable years. Finally, during the year ended December 27, 2012, the Company received payments of $8.5 million with respect to NCM, Inc.'s 2010 and 2011 taxable years.

The Company accounts for its 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 consolidated balance sheets. Below is a summary of activity with National CineMedia included in the Company's consolidated financial statements as of and for the years ended January 1, 2015, December 26, 2013 and December 27, 2012 (in millions):

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	As of the period ended			For the period ended		
	Investment in NCM	Deferred Revenue	Cash Received	Earnings recognized from NCM	Other NCM Revenues	Gain on sale of NCM, Inc. common stock
Balance as of and for the period ended December 29, 2011	$76.8	$(349.5)	$47.8	$(37.9)	$(14.7)	$—
Receipt of additional common units(1)	0.8	(0.8)	—	—	—	—
Receipt of excess cash distributions(2)	(6.0)	—	30.0	(24.0)	—	—
Receipt under tax receivable agreement(2)	(1.7)	—	8.5	(6.8)	—	—
Revenues earned under ESA(3)	—	—	11.0	—	(11.0)	—
Amortization of deferred revenue(4)	—	6.0	—	—	(6.0)	—
Equity income attributable to additional common units(5)	4.1	—	—	(4.1)	—	—
Change in interest loss	(0.1)	—	—	0.1	—	—
Balance as of and for the period ended December 27, 2012	$73.9	$(344.3)	$49.5	$(34.8)	$(17.0)	$—
Receipt of additional common units(1)	33.8	(33.8)	—	—	—	—
Receipt of common units due to extraordinary common unit adjustment(1)	61.4	(61.4)	—	—	—	—
Receipt of excess cash distributions(2)	(9.1)	—	35.4	(26.3)	—	—
Receipt under tax receivable agreement(2)	(0.9)	—	4.6	(3.7)	—	—
Revenues earned under ESA(3)	—	—	12.6	—	(12.6)	—
Amortization of deferred revenue(4)	—	7.3	—	—	(7.3)	—
Equity income attributable to additional common units(5)	7.5	—	—	(7.5)	—	—
Redemption/sale of NCM stock(6)	(10.0)	—	40.9	—	—	(30.9)
Deferred gain on AC JV, LLC transaction(7)	1.9	—	—	—	—	—
Balance as of and for the period ended December 26, 2013	$158.5	$(432.2)	$93.5	$(37.5)	$(19.9)	$(30.9)
Receipt of additional common units(1)	5.9	(5.9)	—	—	—	—
Receipt of excess cash distributions(2)	(10.2)	—	27.1	(16.9)	—	—
Receipt under tax receivable agreement(2)	(3.9)	—	12.0	(8.1)	—	—
Revenues earned under ESA(3)	—	—	14.2	—	(14.2)	—
Amortization of deferred revenue(4)	—	9.6	—	—	(9.6)	—
Equity income attributable to additional common units(5)	7.1	—	—	(7.1)	—	—
Balance as of and for the period ended January 1, 2015	$157.4	$(428.5)	$53.3	$(32.1)	$(23.8)	$—

(1) On March 13, 2014, March 14, 2013, and March 15, 2012, we received from National CineMedia approximately 0.4 million, 2.2 million and 0.1 million, respectively, newly issued common units of National CineMedia in accordance with the annual adjustment provisions of the Common Unit Adjustment Agreement. In addition, on

November 19, 2013, we received from National CineMedia approximately 3.4 million newly issued common units of National CineMedia in accordance with the adjustment provisions of the Common Unit Adjustment Agreement in connection with our acquisition of Hollywood Theaters. The Company recorded the additional common units (Additional Investments Tranche) at fair value using the available closing stock prices of NCM, Inc. as of the dates on which the units were issued. As a result of these adjustments, the Company recorded increases to its investment in National CineMedia (along with corresponding increases to deferred revenue) of $5.9 million, $95.2 million and $0.8 million during the years ended January 1, 2015, December 26, 2013 and December 27, 2012, respectively. Such deferred revenue amounts are being amortized to advertising revenue over the remaining term of the ESA between RCI and

National CineMedia following the units of revenue method as described in (4) below. These transactions, together with the transaction described in (6) below, caused a proportionate net increase in the Company's Additional Investments Tranche and increased our ownership share in National CineMedia to 25.8 million common units. As a result, on a fully diluted basis, we own a 20.1% interest in NCM, Inc. as of January 1, 2015.

(2) During the years ended January 1, 2015, December 26, 2013 and December 27, 2012, the Company received $39.1 million, $40.0 million, $38.5 million, respectively, in cash distributions from National CineMedia, exclusive of receipts for services performed under the ESA (including payments of $12.0 million, $4.6 million, and $8.5 million received under the tax receivable agreement). Approximately $14.1 million, $10.0 million and $7.7 million of these cash distributions received during the years ended January 1, 2015, December 26, 2013 and December 27, 2012, respectively, were attributable to the Additional Investments Tranche and 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 components of "Earnings recognized from NCM" in the accompanying consolidated financial statements.

(3) The Company recorded other revenues, excluding the amortization of deferred revenue, of approximately $14.2 million, $12.6 million and $11.0 million for the years ended January 1, 2015, December 26, 2013 and December 27, 2012, respectively, pertaining to our agreements with National CineMedia, including per patron and per digital screen theatre access fees (net of payments $14.0 million, $15.5 million and $14.8 million for the years ended January 1, 2015, December 26, 2013 and December 27, 2012, respectively) for on-screen advertising time provided to our beverage concessionaire and other NCM revenues. These advertising revenues are presented as a component of "Other operating revenues" in the Company's consolidated financial statements.

(4) Amounts represent amortization of ESA modification fees received from NCM to advertising revenue utilizing the units of revenue amortization method. These advertising revenues are presented as a component of "Other operating revenues" in the Company's consolidated financial statements.

(5) Amounts represent the Company's share in the net income of National CineMedia with respect to the Additional Investments Tranche. Such amounts have been included as a component of "Earnings recognized from NCM" in the consolidated financial statements.

(6) During the year ended December 26, 2013, the Company redeemed 2.3 million of its National CineMedia common units for a like number of shares of NCM, Inc. common stock, which the Company sold in an underwritten public offering (including underwriter over-allotments) for $17.79 per share, reducing our investment in National CineMedia by approximately $10.0 million, the average carrying amount of the shares sold. The Company received approximately $40.9 million in proceeds, resulting in a gain on sale of approximately $30.9 million. We accounted for this transaction as a proportionate decrease in the Company's Initial Investment Tranche and Additional Investments Tranche and decreased our ownership share in National CineMedia.

(7) As described further below under "Investment in AC JV, LLC," in connection with the sale of its Fathom Events business to AC JV, LLC, National CineMedia recorded a gain of approximately $25.4 million in connection with the sale. The Company's proportionate share of such gain (approximately $1.9 million) was excluded from equity earnings in National CineMedia and recorded as a reduction in the Company's investment in AC JV.

As of January 1, 2015, approximately $2.7 million and $1.5 million due from/to National CineMedia were included in "Trade and other receivables, net" and "Accounts payable," respectively. As of December 26, 2013, approximately $4.1 million and $2.0 million due from/to National CineMedia were included in "Trade and other receivables, net" and "Accounts payable," respectively.

As of the date of this Form 10-K, no summarized financial information for National CineMedia was available for the year ended January 1, 2015. Summarized consolidated statements of income information for National CineMedia for the years ended December 26, 2013, December 27, 2012 and December 29, 2011 is as follows (in millions):

	Year Ended December 26, 2013	Year Ended December 27, 2012	Year Ended December 29, 2011
Revenues	$462.8	$448.8	$435.4
Income from operations	202.0	191.8	193.7
Net income	162.9	101.0	134.5

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Summarized consolidated balance sheet information for National CineMedia as of December 26, 2013 and December 27, 2012 is as follows (in millions):

	December 26, 2013	December 27, 2012
Current assets	$141.6	$112.1
Noncurrent assets	557.6	325.3
Total assets	699.2	437.4
Current liabilities	122.4	82.6
Noncurrent liabilities	876.0	879.0
Total liabilities	998.4	961.6
Members' deficit	(299.2)	(524.2)
Liabilities and members' deficit	699.2	437.4

On May 5, 2014, NCM, Inc. announced that it had entered into an agreement to acquire Screenvision, LLC for $375 million, consisting of $225 million in cash and $150 million of NCM, Inc. common stock (9,900,990 shares at a fixed price of $15.15 per share). Consummation of the transaction is subject to antitrust clearance and other customary closing conditions as discussed further in Note 8—"Litigation and Contingencies."

Investment in Digital Cinema Implementation Partners

On February 12, 2007, we, along with AMC and Cinemark formed a joint venture company known as Digital Cinema Implementation Partners, LLC, a Delaware limited liability company ("DCIP"). Regal holds a 46.7% economic interest in DCIP as of January 1, 2015 and a one-third voting interest along with each of AMC and Cinemark. Since the Company does not have a controlling financial interest in DCIP or any of its subsidiaries, it accounts 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 consolidated balance sheets. The changes in the carrying amount of our investment in DCIP for the years ended January 1, 2015, December 26, 2013, and December 27, 2012 are as follows (in millions):

Balance as of December 29, 2011	$48.3
Equity contributions	7.4
Equity in earnings of DCIP(1)	17.1
Balance as of December 27, 2012	72.8
Equity contributions	3.5
Equity in earnings of DCIP(1)	22.9
Change in fair value of equity method investee interest rate swap transactions	2.4
Balance as of December 26, 2013	101.6
Equity contributions	3.6
Equity in earnings of DCIP(1)	28.6
Receipt of cash distribution(2)	(6.3)
Change in fair value of equity method investee interest rate swap transactions	(1.2)
Balance as of January 1, 2015	$126.3

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(1) For the years ended January 1, 2015, December 26, 2013 and December 27, 2012, the Company recorded earnings of $28.6 million, $22.9 million, and $17.1 million, respectively, representing its share of the net income of DCIP. Such amount is presented as a component of "Other, net" in the accompanying consolidated statements of income.

(2)

For the year ended January 1, 2015, the Company received $6.3 million in cash distributions from DCIP as a return on its investment.

DCIP funds the cost of conversion to digital projection principally through the collection of virtual print fees from motion picture studios and equipment lease payments from participating exhibitors, including us. In accordance with the master

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equipment lease agreement (the "Master Lease"), the digital projection systems are leased from a subsidiary of DCIP under a twelve-year term with ten one-year fair value renewal options. The Master Lease also contains a fair value purchase option. On March 31, 2014, the junior capital raised by DCIP in the initial financing transactions was paid in full by DCIP. In connection with this repayment, the Master Lease was amended to eliminate the incremental minimum rent payment provision of $2,000 per digital projection system described more fully in Note 4 to the consolidated financial statements included in Part II, Item 8 of our annual report on Form 10-K filed on February 24, 2014 with the Securities and Exchange Commission (File No. 1-31315) for the fiscal year ended December 26, 2013.

DCIP incurred a loss on debt extinguishment of approximately $6.0 million as a result of the debt repayment and Regal recorded its pro rata share of such loss (approximately $2.8 million) during the quarter ended June 26, 2014 as a reduction of equity in earnings of DCIP. As a result of the amendment to the Master Lease, the Company's deferred rent balance associated with the incremental minimum rental payment of $2,000 per digital projection system is being amortized on a straight-line basis as a reduction of rent expense from the effective date of the amendment (March 31, 2014) through the end of the remaining lease term. As of January 1, 2015, under the Master Lease, the Company continues to pay annual minimum rent of $1,000 per digital projection system from the effective date of the original agreement through the end of the lease term. The Company considers the $1,000 minimum rental to be a minimum rental and accordingly records such rent on a straight-line basis in its consolidated financial statements. 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 years ended January 1, 2015, December 26, 2013, and December 27, 2012, the Company incurred total rent expense of approximately $7.7 million, $14.5 million, and $12.8 million, respectively, associated with the leased digital projection systems. Such rent expense is presented as a component of "other operating expenses" in the Company's unaudited consolidated statements of income.

Summarized consolidated statements of operations information for DCIP for the years ended December 31, 2014 and 2013 is as follows (in millions):

	Year Ended December 31, 2014	Year Ended December 31, 2013
Net revenues	$170.7	$182.7
Income from operations	102.0	116.2
Net income	61.3	49.0

Summarized consolidated balance sheet information for DCIP as of December 31, 2014 and 2013 is as follows (in millions):

	December 31, 2014	December 31, 2013
Current assets	$53.2	$140.4
Noncurrent assets	1,044.4	1,124.5
Total assets	1,097.6	1,264.9
Current liabilities	24.0	34.9
Noncurrent liabilities	821.3	1,028.2
Total liabilities	845.3	1,063.1
Members' equity	252.3	201.8
Liabilities and members' equity	1,097.6	1,264.9

Investment in Open Road Films

We maintain an investment in Open Road Films, a film distribution company jointly owned by us and AMC. The Company's cumulative cash investment in Open Road Films totaled $20.0 million as of January 1, 2015 and the Company may invest an additional $10.0 million in this joint venture. We account for our investment in Open Road Films using the equity method of accounting. As a result of cumulative losses recorded in Open Road Films, the Company's investment in Open Road

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Films was reduced to a minimum carrying value of $(10.0) million as of March 27, 2014. Consistent with the accounting model provided by ASC 323-10-35-22, as of March 27, 2014, the Company has not provided for any additional losses of Open Road Films since it has not guaranteed obligations of Open Road Films and otherwise has not committed to provide further financial support for Open Road Films above its initial $30.0 million commitment. Accordingly, the Company discontinued equity method accounting for its investment in Open Road Films as of March 27, 2014. The amount of excess losses incurred through January 1, 2015 continued to be in excess of the Company's initial $30.0 million commitment by approximately $5.0 million.

The Company's investment in Open Road Films is included as a component of "Other Non-Current Liabilities" in the consolidated balance sheets. The change in the carrying amount of our investment in Open Road Films for the years ended January 1, 2015, December 26, 2013 and December 27, 2012 are as follows (in millions):

Balance as of December 29, 2011	$5.2
Equity in loss attributable to Open Road Films(1)	(15.2)
Balance as of December 27, 2012	(10.0)
Equity in earnings attributable to Open Road Films(1)	2.9
Balance as of December 26, 2013	(7.1)
Equity in loss attributable to Open Road Films(1)	(2.9)
Balance as of January 1, 2015	$(10.0)

(1) Represents the Company's recorded share of the net income (loss) of Open Road Films. Such amount is presented as a component of "Other, net" in the accompanying consolidated statements of income.

Summarized consolidated statements of operations information for Open Road Films for the years ended December 31, 2014 and 2013 is as follows (in millions):

	Year Ended December 31, 2014	Year Ended December 31, 2013
Revenues	$175.4	$140.4
Income (loss) from operations	(13.1)	12.3
Net income (loss)	(15.2)	9.7

Summarized consolidated balance sheet information for Open Road Films as of December 31, 2014 and 2013 is as follows (in millions):

	December 31, 2014	December 31, 2013
Current assets	$44.5	$60.4
Noncurrent assets	12.3	10.4
Total assets	56.8	70.8
Current liabilities	64.1	69.5
Noncurrent liabilities	22.6	16.0
Total liabilities	86.7	85.5
Members' deficit	(29.9)	(14.7)
Liabilities and members' deficit	56.8	70.8

Investment in RealD, Inc.

The Company also maintains an investment in RealD, Inc., an entity specializing in the licensing of 3D technologies. The Company accounts for its investment in RealD, Inc. as a marketable security. The Company has determined that its RealD, Inc. shares are available for sale securities in accordance with ASC Topic 320-10-35-1, therefore unrealized holding gains and losses are reported as a component of accumulated other comprehensive income (loss) until realized.

During the year ended December 26, 2013, the Company sold 0.4 million shares of RealD, Inc. as described further in Note 13—"Fair Value of Financial Instruments." In connection with the sale, the Company received approximately $5.9 million in aggregate net proceeds (after deducting related fees and expenses) and recorded a gain on sale of approximately $2.6 million. In addition, during the year ended January 1, 2015, the Company sold 0.5 million shares of RealD, Inc. as described further in Note 13—"Fair Value of Financial Instruments." In connection with the sales, the Company received approximately $6.0 million in aggregate net proceeds (after deducting related fees and expenses) and recorded a gain on sale of approximately $2.0 million. Such gains are presented as a component of “Other, net” in the accompanying consolidated statements of income. See Note 13—"Fair Value of Financial Instruments" for a discussion of fair value estimation methods and assumptions with respect to the Company's investment in RealD, Inc. The Company has recorded this investment within "Other Non-Current Assets." The carrying value of the Company's investment in RealD, Inc. as of January 1, 2015 was approximately $3.8 million.

Investment in AC JV, LLC

On December 26, 2013, National CineMedia sold its Fathom Events business to AC JV, LLC (“AC JV”), a newly-formed Delaware limited liability company owned 32% by each of RCI, AMC and Cinemark and 4% by National CineMedia. The Fathom Events business focuses on the marketing and distribution of live and pre-recorded entertainment programming to various theatre operators (including us, AMC and Cinemark) to provide additional programs to augment their feature film schedule and includes events such as live and pre-recorded concerts, opera and symphony, DVD product releases and marketing events, theatrical premieres, Broadway plays, live sporting events and other special events. In consideration for the sale, National CineMedia received a total of $25 million in promissory notes from RCI, Cinemark and AMC (one-third or approximately $8.3 million from each). The notes bear interest at 5.0% per annum. Interest and principal payments are due annually in six equal installments commencing on the first anniversary of the closing. National CineMedia recorded a gain of approximately $25.4 million in connection with the sale. The Company's proportionate share of such gain (approximately $1.9 million) was excluded from equity earnings in National CineMedia and recorded as a reduction in the Company's investment in AC JV. Since the Company does not have a controlling financial interest in AC JV, it accounts for its investment in AC JV under the equity method of accounting. The carrying value of the Company's investment in AC JV was approximately $8.1 million as of January 1, 2015.

Investment in Digital Cinema Distribution Coalition

The Company is a party to a joint venture with certain exhibitors and distributors called Digital Cinema Distribution Coalition ("DCDC"). DCDC has established a satellite distribution network that distributes digital content to theatres via satellite. The Company has an approximate 14.6% ownership in DCDC as of January 1, 2015. The carrying value of the Company's investment in DCDC was approximately $2.5 million as of January 1, 2015.

5. DEBT OBLIGATIONS

Debt obligations at January 1, 2015 and December 26, 2013 consist of the following (in millions):

	January 1, 2015	December 26, 2013
Regal Cinemas Amended Senior Credit Facility	$965.8	$978.3
Regal $5^3/_4$% Senior Notes Due 2022	775.0	—
Regal $9^1/_8$% Senior Notes, including premium	—	315.4
Regal Cinemas $8^5/_8$% Senior Notes, net of debt discount	—	394.6
Regal $5^3/_4$% Senior Notes Due 2025	250.0	250.0
Regal $5^3/_4$% Senior Notes Due 2023	250.0	250.0
Lease financing arrangements, weighted average interest rate of 11.24% as of January 1, 2015 maturing in various installments through November 2028	94.5	91.0
Capital lease obligations, 8.5% to 10.7%, maturing in various installments through December 2030	13.1	16.0
Other	11.8	15.4
Total debt obligations	2,360.2	2,310.7
Less current portion	26.6	29.8
Total debt obligations, less current portion	$2,333.6	$2,280.9

Regal Cinemas Sixth Amended and Restated Credit Agreement—On May 19, 2010, Regal Cinemas entered into a sixth amended and restated credit agreement (the "Credit Agreement"), with Credit Suisse AG, Cayman Islands Branch, as Administrative Agent ("Credit Suisse"), and the lenders party thereto (the "Lenders"). The Credit Agreement provides, among other things, for senior secured credit facilities consisting of a term loan facility (the "Term Facility") with an original principal balance of $1,006.0 million and final maturity date in August 2017 and a revolving credit facility (the "Revolving Facility") of up to $85.0 million (the “Revolving Commitment”) with a final maturity date in May 2017.

On April 19, 2013 (the "Second Amendment Date"), Regal Cinemas, Regal, REH and the other affiliates of Regal Cinemas party thereto, as guarantors, entered into an amendment (the "Second Amendment") to the Credit Agreement, with Credit Suisse and the lenders party thereto. The Second Amendment amends the Credit Agreement by reducing the interest rate on the Term Facility by 0.50%. Specifically, the Second Amendment provides that, depending on the consolidated leverage ratio of Regal Cinemas and its subsidiaries, the applicable margin under the Term Facility for base rate loans will be either 1.50% or 1.75% and the applicable margin under the Term Facility for LIBOR rate loans will be either 2.50% or 2.75%. Among other things, the Second Amendment also amends the Credit Agreement (i) by deleting the interest coverage ratio test and providing that the remaining financial covenants will only be tested if the outstanding amount of the revolving loans and letters of credit (including unreimbursed drawings) under the Revolving Facility equals or exceeds 25% of the Revolving Commitment, (ii) by providing for a 1% prepayment premium applicable in the event that Regal Cinemas enters into a refinancing or amendment of the Term Facility on or prior to the first anniversary of the Second Amendment Date that, in either case, has the effect of reducing the interest rate on the Term Facility, (iii) to permit the release of Regal from its guarantee of the obligations under the Credit Agreement in the event that it does not guarantee any other debt of Regal Cinemas or its subsidiaries, and (iv) by eliminating the mortgage requirement for fee-owned real properties that are acquired by Regal Cinemas or its subsidiaries after the Second Amendment Date. Except as amended by the Second Amendment, the remaining terms of the Credit Agreement remain in full force and effect. As a result of the Second Amendment, the Company recorded a loss on debt extinguishment of approximately $0.4 million.

In addition, on May 28, 2013, Regal Cinemas, Regal, REH and the other affiliates of Regal Cinemas party thereto, as guarantors, entered into a Loan Modification Agreement with Credit Suisse and the revolving lenders party thereto (the "Loan Modification Agreement"). The Loan Modification Agreement amends the Credit Agreement by reducing the interest rate on the Revolving Facility by 1.00%. Specifically, the Loan Modification Agreement provides that, depending on the consolidated leverage ratio of Regal Cinemas and its subsidiaries, the applicable margin under the Revolving Facility for base rate loans will be either 1.50% or 1.75% and the applicable margin under the Revolving Facility for LIBOR rate loans will be either 2.50% or 2.75%. The Loan Modification Agreement also amends the Credit Agreement to extend the maturity date of the Revolving Facility from May 19, 2015 to May 19, 2017.

As of January 1, 2015 and December 26, 2013, borrowings of $965.8 million and $978.3 million, respectively, were outstanding under the Term Facility at an effective interest rate of 3.23% (as of January 1, 2015) and 3.18% (as of December 26, 2013), after the impact of the interest rate swaps described below is taken into account.

Regal $5^3/_4$% Senior Notes Due 2022—On March 11, 2014, Regal issued $775.0 million aggregate principal amount of its $5^3/_4$% senior notes due 2022 (the "$5^3/_4$% Senior Notes Due 2022") in a registered public offering. The net proceeds from the offering were approximately $760.1 million, after deducting underwriting discounts and offering expenses. Regal used a portion of the net proceeds from the offering to purchase approximately $222.3 million aggregate principal amount of its outstanding $9^1/_8$% Senior Notes for an aggregate purchase price of approximately $240.5 million pursuant to a cash tender offer for such notes as described below, and $355.8 million aggregate principal amount of Regal Cinemas' outstanding $8^5/_8$% Senior Notes for an aggregate purchase price of approximately $381.0 million pursuant to a cash tender offer for such notes as described further below. Also on March 11, 2014, the Company and Regal Cinemas each announced their intention to redeem all $9^1/_8$% Senior Notes and $8^5/_8$% Senior Notes that remained outstanding following the consummation of the tender offers at a price equal to 100% of the principal amount thereof plus a "make-whole" premium and accrued and unpaid interest payable thereon up to, but not including, the redemption date, in accordance with the terms of the indentures governing the $9^1/_8$% Senior Notes and $8^5/_8$% Senior Notes. As discussed further below, on April 10, 2014, the remaining $9^1/_8$% Senior Notes and $8^5/_8$% Senior Notes were fully redeemed by the Company and Regal Cinemas for an aggregate purchase price of $144.9 million (including accrued and unpaid interest) using the remaining net proceeds from the $5^3/_4$% Senior Notes Due 2022 and available cash on hand.

The $5^3/_4$% Senior Notes Due 2022 bear interest at a rate of 5.75% per year, payable semiannually in arrears on March 15 and September 15 of each year, beginning September 15, 2014. The $5^3/_4$% Senior Notes Due 2022 will mature on March 15, 2022. The $5^3/_4$% Senior Notes Due 2022 are the Company's senior unsecured obligations and rank equal in right of payment with all of the Company's existing and future senior unsecured indebtedness and prior to all of the Company's future subordinated indebtedness. The $5^3/_4$% Senior Notes Due 2022 are effectively subordinated to all of the Company's future secured indebtedness to the extent of the value of the collateral securing that indebtedness and structurally subordinated to all existing and future indebtedness and other liabilities of the Company's subsidiaries. None of the Company's subsidiaries guarantee any of the Company's obligations with respect to the $5^3/_4$% Senior Notes Due 2022.

Prior to March 15, 2017, the Company may redeem all or any part of the $5^3/_4$% Senior Notes Due 2022 at its option at 100% of the principal amount, plus accrued and unpaid interest to the redemption date and a make-whole premium. The Company may redeem the $5^3/_4$% Senior Notes Due 2022 in whole or in part at any time on or after March 15, 2017 at the redemption prices specified in the indenture. In addition, prior to March 15, 2017, the Company may redeem up to 35% of the original aggregate principal amount of the $5^3/_4$% Senior Notes Due 2022 from the net proceeds of certain equity offerings at the redemption price specified in the indenture. The Company has not separated the make-whole premium from the underlying debt instrument to account for it as a derivative instrument as the economic characteristics and risks of this embedded derivative are clearly and closely related to the economic characteristics and risks of the underlying debt.

If the Company undergoes a change of control (as defined in the indenture), holders may require the Company to repurchase all or a portion of their $5^3/_4$% Senior Notes Due 2022 at a price equal to 101% of the principal amount of the notes being repurchased, plus accrued and unpaid interest, if any, to the date of purchase.

The indenture contains covenants that limit the Company's (and its restricted subsidiaries') ability to, among other things: (i) incur additional indebtedness; (ii) pay dividends on or make other distributions in respect of its capital stock, purchase or redeem capital stock, or purchase, redeem or otherwise acquire or retire certain subordinated obligations; (iii) enter into certain transactions with affiliates; (iv) permit, directly or indirectly, it to create, incur, or suffer to exist any lien, except in certain circumstances; (v) create or permit encumbrances or restrictions on the ability of its restricted subsidiaries to pay dividends or make distributions on their capital stock, make loans or advances to other subsidiaries or the Company, or transfer any properties or assets to other subsidiaries or the Company; and (vi) merge or consolidate with other companies or transfer all or substantially all of its assets. These covenants are, however, subject to a number of important limitations and exceptions. The indenture contains other customary terms, including, but not limited to, events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then outstanding notes to be due and payable immediately.

Regal $9^{1}/_{8}\%$ Senior Notes—During fiscal 2010 and 2011, Regal issued $525.0 million in aggregate principal amount of the Company’s $9/_{8}\%$ Senior Notes (the "$9^{1}/_{8}\%$ Senior Notes").

In connection with the issuance of the $5^{3}/_{4}\%$ Senior Notes Due 2023 described below, on May 29, 2013, the Company commenced a tender offer to purchase for cash its $9^{1}/_{8}\%$ Senior Notes. Total offer consideration for each $1,000 principal amount of $9^{1}/_{8}\%$ Senior Notes tendered was $1,143.75, including an early tender premium payment of $30.00 per $1,000 principal amount of $9^{1}/_{8}\%$ Senior Notes for those holders who properly tendered their $9^{1}/_{8}\%$ Senior Notes on or before June 11, 2013. Upon consummation of the tender offer, approximately $213.6 million aggregate principal amount of the $9^{1}/_{8}\%$ Senior Notes was purchased. Total additional consideration paid for the tender offer, including the early tender premium payment, was approximately $30.7 million. The tender offer was financed with $244.3 million of the net proceeds from the issuance of the $5^{3}/_{4}\%$ Senior Notes Due 2023. As a result of the tender offer, the Company recorded a $30.3 million loss on extinguishment of debt during the year ended December 26, 2013.

In connection with the issuance of the $5^{3}/_{4}\%$ Senior Notes Due 2022 described above, on February 25, 2014, the Company commenced a tender offer to purchase for cash its $9^{1}/_{8}\%$ Senior Notes. Total offer consideration for each $1,000 principal amount of $9^{1}/_{8}\%$ Senior Notes tendered was $1,081.97, including an early tender premium payment of $30.00 per $1,000 principal amount of $9^{1}/_{8}\%$ Senior Notes for those holders who properly tendered their $9^{1}/_{8}\%$ Senior Notes on or before March 10, 2014. Upon consummation of the tender offer, approximately $222.3 million aggregate principal amount of the $9^{1}/_{8}\%$ Senior Notes was purchased. Total additional consideration paid for the tender offer, including the early tender premium payment, was approximately $18.2 million. The tender offer was financed with a portion of the net proceeds from the issuance of the $5^{3}/_{4}\%$ Senior Notes Due 2022 described above. As a result of the tender offer, the Company recorded a $17.8 million loss on extinguishment of debt during the year ended January 1, 2015.

On April 10, 2014, the Company redeemed all of the $9^{1}/_{8}\%$ Senior Notes remaining issued and outstanding as of such date (approximately $89.1 million aggregate principal amount) at a price equal to $1,074.97 for each $1,000 principal amount of $9^{1}/_{8}\%$ Senior Notes, plus accrued and unpaid interest of $13.94 per $1,000 principal amount of $9^{1}/_{8}\%$ Senior Notes. The aggregate amount paid to the holders of the $9^{1}/_{8}\%$ Senior Notes (including accrued interest of approximately $1.2 million) totaled approximately $97.0 million. As a result of the redemption, the Company recorded a $6.6 million loss on extinguishment of debt during the year ended January 1, 2015.

Regal Cinemas $8^{5}/_{8}\%$ Senior Notes—On July 15, 2009, Regal Cinemas issued $400.0 million in aggregate principal amount of its $8^{5}/_{8}\%$ Senior Notes due 2019 (the "$8^{5}/_{8}\%$ 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").

In connection with the issuance of the $5^{3}/_{4}\%$ Senior Notes Due 2022 described above, on February 25, 2014, the Company commenced a tender offer to purchase for cash the $8^{5}/_{8}\%$ Senior Notes. Total offer consideration for each $1,000 principal amount of $8^{5}/_{8}\%$ Senior Notes tendered was $1,070.73, including an early tender premium payment of $30.00 per $1,000 principal amount of $8^{5}/_{8}\%$ Senior Notes for those holders who properly tendered their $8^{5}/_{8}\%$ Senior Notes on or before March 10, 2014. Upon consummation of the tender offer, approximately $355.8 million aggregate principal amount of the $8^{5}/_{8}\%$ Senior Notes was purchased. Total additional consideration paid for the tender offer, including the early tender premium payment, was approximately $25.2 million. The tender offer was financed with a portion of the net proceeds from the issuance of the $5^{3}/_{4}\%$ Senior Notes Due 2022 described above. As a result of the tender offer, the Company recorded a $34.1 million loss on extinguishment of debt during the year ended January 1, 2015.

On April 10, 2014, Regal Cinemas redeemed all of the $8^{5}/_{8}$% Senior Notes remaining issued and outstanding as of such date (approximately $44.2 million aggregate principal amount) at a price equal to $1,064.12 for each $1,000 principal amount of $8^{5}/_{8}$% Senior Notes, plus accrued and unpaid interest of $20.36 per $1,000 principal amount of $8^{5}/_{8}$% Senior Notes. The aggregate amount paid to the holders of the $8^{5}/_{8}$% Senior Notes (including accrued interest of approximately $0.9 million) totaled approximately $47.9 million. As a result of the redemption, the Company recorded a $3.9 million loss on extinguishment of debt during the year ended January 1, 2015.

Regal $5^{3}/_{4}$% Senior Notes Due 2025—On January 17, 2013, Regal issued $250.0 million in aggregate principal amount of its $5^{3}/_{4}$% senior notes due 2025 (the "$5^{3}/_{4}$% Senior Notes Due 2025") in a registered public offering. The net proceeds from the offering were approximately $244.5 million, after deducting underwriting discounts and offering expenses. Regal used approximately $194.4 million of the net proceeds from the offering to fund the acquisition of Hollywood Theaters.

The $5^{3}/_{4}$% Senior Notes Due 2025 bear interest at a rate of 5.75% per year, payable semiannually in arrears on February 1 and August 1 of each year, beginning August 1, 2013. The $5^{3}/_{4}$% Senior Notes Due 2025 will mature on February 1, 2025. The

$5^3/_4$% Senior Notes Due 2025 are the Company's senior unsecured obligations. They rank equal in right of payment with all of the Company's existing and future senior unsecured indebtedness and prior to all of the Company's future subordinated indebtedness. The $5^3/_4$% Senior Notes Due 2025 are effectively subordinated to all of the Company's future secured indebtedness to the extent of the value of the collateral securing that indebtedness and structurally subordinated to all existing and future indebtedness and other liabilities of the Company's subsidiaries. None of the Company's subsidiaries guarantee any of the Company's obligations with respect to the $5^3/_4$% Senior Notes Due 2025.

Prior to February 1, 2018, the Company may redeem all or any part of the $5^3/_4$% Senior Notes Due 2025 at its option at 100% of the principal amount, plus accrued and unpaid interest to the redemption date and a make-whole premium. The Company may redeem the $5^3/_4$% Senior Notes Due 2025 in whole or in part at any time on or after February 1, 2018 at the redemption prices specified in the indenture governing the $5^3/_4$% Senior Notes Due 2025. In addition, prior to February 1, 2016, the Company may redeem up to 35% of the original aggregate principal amount of the $5^3/_4$% Senior Notes Due 2025 from the net proceeds from certain equity offerings at the redemption price specified in the indenture. The Company has not separated the make-whole premium from the underlying debt instrument to account for it as a derivative instrument as the economic characteristics and risks of this embedded derivative are clearly and closely related to the economic characteristics and risks of the underlying debt.

If the Company undergoes a change of control (as defined in the indenture), holders may require the Company to repurchase all or a portion of their notes at a price equal to 101% of the principal amount of the notes being repurchased, plus accrued and unpaid interest, if any, to the date of purchase.

The indenture contains covenants that limit the Company's (and its restricted subsidiaries') ability to, among other things: (i) incur additional indebtedness; (ii) pay dividends on or make other distributions in respect of its capital stock, purchase or redeem capital stock, or purchase, redeem or otherwise acquire or retire certain subordinated obligations; (iii) enter into certain transactions with affiliates; (iv) permit, directly or indirectly, it to create, incur, or suffer to exist any lien, except in certain circumstances; (v) create or permit encumbrances or restrictions on the ability of its restricted subsidiaries to pay dividends or make distributions on their capital stock, make loans or advances to other subsidiaries or the Company, or transfer any properties or assets to other subsidiaries or the Company; and (vi) merge or consolidate with other companies or transfer all or substantially all of its assets. These covenants are, however, subject to a number of important limitations and exceptions. The indenture contains other customary terms, including, but not limited to, events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then outstanding notes to be due and payable immediately.

Regal $5^3/_4$% Senior Notes Due 2023—On June 13, 2013, Regal issued $250.0 million aggregate principal amount of its $5^3/_4$% senior notes due 2023 (the "$5^3/_4$% Senior Notes Due 2023") in a registered public offering. The net proceeds from the offering were approximately $244.4 million, after deducting underwriting discounts and offering expenses. Regal used the net proceeds from the offering to purchase approximately $213.6 million aggregate principal amount of its outstanding $9^1/_8$% Senior Notes for an aggregate purchase price of approximately $244.3 million pursuant to a cash tender offer for such notes as described further above.

The $5^3/_4$% Senior Notes Due 2023 bear interest at a rate of 5.75% per year, payable semiannually in arrears on June 15 and December 15 of each year, beginning December 15, 2013. The $5^3/_4$% Senior Notes Due 2023 will mature on June 15, 2023. The $5^3/_4$% Senior Notes Due 2023 are the Company's senior unsecured obligations. They rank equal in right of payment with all of the Company's existing and future senior unsecured indebtedness and prior to all of the

Company's future subordinated indebtedness. The $5^3/_4$% Senior Notes Due 2023 are effectively subordinated to all of the Company's future secured indebtedness to the extent of the value of the collateral securing that indebtedness and structurally subordinated to all existing and future indebtedness and other liabilities of the Company's subsidiaries. None of the Company's subsidiaries will guarantee any of the Company's obligations with respect to the $5^3/_4$% Senior Notes Due 2023.

Prior to June 15, 2018, the Company may redeem all or any part of the $5^3/_4$% Senior Notes Due 2023 at its option at 100% of the principal amount, plus accrued and unpaid interest to the redemption date and a make-whole premium. The Company may redeem the $5^3/_4$% Senior Notes Due 2023 in whole or in part at any time on or after June 15, 2018 at the redemption prices specified in the indenture. In addition, prior to June 15, 2016, the Company may redeem up to 35% of the original aggregate principal amount of the $5^3/_4$% Senior Notes Due 2023 from the net proceeds of certain equity offerings at the redemption price specified in the indenture. The Company has not separated the make-whole premium from the underlying debt instrument to account for it as a derivative instrument as the economic characteristics and risks of this embedded derivative are clearly and closely related to the economic characteristics and risks of the underlying debt.

If the Company undergoes a change of control (as defined in the indenture), holders may require the Company to repurchase all or a portion of their $5^3/_4$% Senior Notes Due 2023 at a price equal to 101% of the principal amount of the notes being repurchased, plus accrued and unpaid interest, if any, to the date of purchase.

The indenture contains covenants that limit the Company's (and its restricted subsidiaries') ability to, among other things: (i) incur additional indebtedness; (ii) pay dividends on or make other distributions in respect of its capital stock, purchase or redeem capital stock, or purchase, redeem or otherwise acquire or retire certain subordinated obligations; (iii) enter into certain transactions with affiliates; (iv) permit, directly or indirectly, it to create, incur, or suffer to exist any lien, except in certain circumstances; (v) create or permit encumbrances or restrictions on the ability of its restricted subsidiaries to pay dividends or make distributions on their capital stock, make loans or advances to other subsidiaries or the Company, or transfer any properties or assets to other subsidiaries or the Company; and (vi) merge or consolidate with other companies or transfer all or substantially all of its assets. These covenants are, however, subject to a number of important limitations and exceptions. The indenture contains other customary terms, including, but not limited to, events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then outstanding notes to be due and payable immediately.

Interest Rate Swaps

As of January 1, 2015, the Company maintained three effective hedging relationships via three distinct interest rate swap agreements (maturity dates ranging from June 30, 2015 through December 31, 2016), which require Regal Cinemas to pay interest at fixed rates ranging from 0.817% to 1.820% and receive interest at a variable rate. These interest rate swap agreements are designated to hedge $450.0 million of variable rate debt obligations at an effective rate of approximately 3.88% as of January 1, 2015.

Under the terms of the Company’s three effective interest rate swap agreements as of January 1, 2015 detailed below, Regal Cinemas currently receives interest at a variable rate based on the 3-month LIBOR on the first $300.0 million of aggregate borrowings under the Term Facility and receives 1-month LIBOR on the next $150.0 million of borrowings under the Term Facility. In addition, the Company will receive 1-month LIBOR on the next $200.0 million of borrowings under the Term Facility once the remaining interest rate swap agreement becomes effective. With respect to the Company's three effective interest rate swap agreements as of January 1, 2015, the 3-month LIBOR rate and the 1-month LIBOR rate on each respective reset date determines the variable portion of the interest rate swaps for the following three-month and one-month periods, respectively. The interest rate swaps settle any accrued interest for cash on the last day of each calendar month or calendar quarter, as applicable, until expiration. At such dates, the differences to be paid or received on the interest rate swaps will be included in interest expense. No premium or discount was incurred upon the Company entering into the interest rate swaps, because the pay and receive rates on the interest rate swaps represented prevailing rates for the counterparty at the time the interest rate swaps were entered into. The interest rate swaps qualify for cash flow hedge accounting treatment and as such, the change in the fair value of the interest rate swaps are recorded on the Company’s consolidated balance sheet as an asset or liability with the effective portion of the interest rate swaps’ gains or losses reported as a component of other comprehensive income (loss) and the ineffective portion reported in earnings (interest expense). As interest expense is accrued on the debt obligation, amounts in accumulated other comprehensive income (loss) related to the interest rate swaps will be reclassified into earnings to obtain a net cost on the debt obligation equal to the effective yield of the fixed rate of each swap. In the event that an interest rate swap is terminated prior to maturity, gains or losses accumulated in other comprehensive income or loss remain deferred and are reclassified into earnings in the periods during which the hedged forecasted transaction affects earnings.

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Below is a summary of the Company's current interest rate swap agreements designated as hedge agreements as of January 1, 2015:

Nominal Amount		Effective Date	Base Rate	Receive Rate	Expiration Date
$200.0 million	(1)	June 30, 2012	1.820%	3-month LIBOR	June 30, 2015
$100.0 million	(1)	December 31, 2012	1.325%	3-month LIBOR	December 31, 2015
$150.0 million	(2)	December 31, 2013	0.817%	1-month LIBOR	December 31, 2016
$200.0 million	(3)	June 30, 2015	1.828%	1-month LIBOR	June 30, 2018

(1) During the year ended December 29, 2011, Regal Cinemas entered into two hedging relationships via two distinct interest rate swap agreements with effective dates beginning on June 30, 2012 and December 31, 2012, respectively, and maturity terms ending on June 30, 2015 and December 31, 2015, respectively. These swaps require Regal Cinemas to pay interest at fixed rates ranging from 1.325% to 1.82% and receive interest at a variable rate. The interest rate swaps are designated to hedge $300.0 million of variable rate debt obligations.

(2) During the year ended December 27, 2012, Regal Cinemas entered into one additional hedging relationship via one distinct interest rate swap agreement with an effective date beginning on December 31, 2013 and a maturity date of December 31, 2016. This swap requires Regal Cinemas to pay interest at a fixed rate of 0.817% and receive interest at a variable rate. The interest rate swap is designated to hedge $150.0 million of variable rate debt obligations.

(3) During the year ended December 26, 2013, Regal Cinemas entered into one additional hedging relationship via one distinct interest rate swap agreement with an effective date beginning on June 30, 2015, and a maturity date of June 30, 2018. This swap will require Regal Cinemas to pay interest at a fixed rate of 1.828% and receive interest at a variable rate. The interest rate swap is designated to hedge $200.0 million of variable rate debt obligations.

See Note 13—"Fair Value of Financial Instruments" for discussion of the Company's interest rate swaps' fair value estimation methods and assumptions.

Lease Financing Arrangements—These obligations primarily represent lease financing obligations resulting from the requirements of ASC Subtopic 840-40. In connection with the acquisition of Hollywood Theaters discussed further in Note 3—"Acquisitions," the Company assumed approximately $40.4 million of lease financing obligations associated with 14 acquired theatres. Such obligations have a weighted average interest rate of approximately 10.7% and mature in various installments through November 2028.

As a result of certain lease extensions effected during the year ended January 1, 2015, the Company increased the carrying amount of its lease financing obligations by approximately $14.2 million (an amount equal to the present value of the revised lease payments at the date of the lease extensions), with a corresponding increase to the net carrying amount of property and equipment and other assets.

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REGAL ENTERTAINMENT GROUP
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January 1, 2015, December 26, 2013 and December 27, 2012

Maturities of Debt Obligations—The Company's long-term debt and future minimum lease payments for its capital lease obligations and lease financing arrangements are scheduled to mature as follows:

	Long-Term Debt and Other (in millions)	Capital Leases	Lease Financing Arrangements	Total
2015	$13.8	$3.4	$20.7	$37.9
2016	14.0	3.1	20.6	37.7
2017	947.0	2.9	20.7	970.6
2018	1.4	0.9	20.9	23.2
2019	1.4	0.9	18.9	21.2
Thereafter	1,275.0	10.8	37.1	1,322.9
Less: interest on capital leases and lease financing arrangements	—	(8.9)	(44.4)	(53.3)
Totals	$2,252.6	$13.1	$94.5	$2,360.2

Covenant Compliance—As of January 1, 2015, we are in full compliance with all agreements, including all related covenants, governing our outstanding debt obligations.

6. LEASES

The Company accounts for a majority of its leases as operating leases. Minimum rentals payable under all non-cancelable operating leases with terms in excess of one year as of January 1, 2015, are summarized for the following fiscal years (in millions):

2015	$425.2
2016	405.3
2017	379.5
2018	351.4
2019	287.8
Thereafter	1,147.8
Total	$2,997.0

Rent expense under such operating leases amounted to $423.4 million, $413.6 million and $384.4 million for the years ended January 1, 2015, December 26, 2013 and December 27, 2012, respectively. Contingent rent expense was $23.7 million, $23.7 million and $21.8 million for the years ended January 1, 2015, December 26, 2013 and December 27, 2012, respectively.

Sale-Leaseback Transactions

The Company has historically entered into sale and leaseback transactions whereby owned properties were sold and leased back under operating leases. The minimum rentals for these operating leases are included in the table above.

In December 1995, United Artists Theatre Circuit, Inc. ("UATC") entered into a sale and leaseback transaction whereby 31 owned properties were sold to and leased back from an unaffiliated third party. In conjunction with the transaction, the buyer of the properties issued publicly traded pass-through certificates. In connection with this sale and leaseback transaction, UATC entered into a Participation Agreement that requires UATC to comply with various covenants, including limitations on indebtedness, restricted payments, transactions with affiliates, guarantees, issuance of preferred stock of subsidiaries and subsidiary distributions, transfer of assets and payment of dividends. As of January 1, 2015, 11 properties were subject to the sale leaseback transaction and approximately $7.7 million in principal amount of pass-through certificates were outstanding.

7. INCOME TAXES

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January 1, 2015, December 26, 2013 and December 27, 2012

The components of the provision for income taxes for income from operations are as follows (in millions):

	Year Ended January 1, 2015	Year Ended December 26, 2013	Year Ended December 27, 2012
Federal:			
Current	$53.8	$98.7	$35.4
Deferred	4.4	(11.0)	44.5
Total Federal	58.2	87.7	79.9
State:			
Current	13.0	20.1	1.7
Deferred	2.2	(0.8)	7.9
Total State	15.2	19.3	9.6
Total income tax provision	$73.4	$107.0	$89.5

During the years ended January 1, 2015, December 26, 2013 and December 27, 2012, a current tax benefit of $1.6 million, $1.3 million and $1.3 million, respectively, was allocated directly to stockholders' equity for compensation expense for tax purposes in excess of amounts recognized for financial reporting purposes.

A reconciliation of the provision for income taxes as reported and the amount computed by multiplying the income before taxes and extraordinary item by the U.S. federal statutory rate of 35% was as follows (in millions):

	Year Ended January 1, 2015	Year Ended December 26, 2013	Year Ended December 27, 2012
Provision calculated at federal statutory income tax rate	$62.5	$92.6	$81.1
State and local income taxes, net of federal benefit	9.7	12.5	6.3
Other	1.2	1.9	2.1
Total income tax provision	$73.4	$107.0	$89.5

Significant components of the Company's net deferred tax asset consisted of the following at (in millions):

	January 1, 2015	December 26, 2013
Deferred tax assets:		
Net operating loss carryforward	$59.3	$66.3
Excess of tax basis over book basis of fixed assets	13.1	—
Deferred revenue	177.4	175.0
Deferred rent	55.4	56.1
Other	16.3	17.2
Total deferred tax assets	321.5	314.6
Valuation allowance	(34.8)	(34.1)
Total deferred tax assets, net of valuation allowance	286.7	280.5
Deferred tax liabilities:		
Excess of book basis over tax basis of fixed assets	—	(3.6)
Excess of book basis over tax basis of intangible assets	(32.0)	(18.5)
Excess of book basis over tax basis of investments	(200.3)	(195.8)
Other	(11.8)	(13.5)
Total deferred tax liabilities	(244.1)	(231.4)

Net deferred tax asset	$42.6	$49.1

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At January 1, 2015, the Company had net operating loss carryforwards for federal income tax purposes of approximately $119.1 million with expiration commencing in 2016. The Company's net operating loss carryforwards were generated by the entities of United Artists, Edwards and Hollywood Theaters. The Tax Reform Act of 1986 imposed substantial restrictions on the utilization of net operating losses in the event of an "ownership change" of a corporation. Accordingly, the Company's ability to utilize the net operating losses acquired from United Artists, Edwards and Hollywood Theaters may be impaired as a result of the "ownership change" limitations. The Company’s state net operating losses may be carried forward for various periods, between seven and 20 years, with the last expiring year being 2024. The Company also has net operating losses in U.S. territorial jurisdictions with expirations commencing in 2019.

In assessing the realizable value of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which these temporary differences become deductible. The Company has recorded a valuation allowance against deferred tax assets of $34.8 million and $34.1 million as of January 1, 2015 and December 26, 2013, respectively, as management believes it is more likely than not that certain deferred tax assets will not be realized in future tax periods. Future reductions in the valuation allowance associated with a change in management's determination of the Company's ability to realize these deferred tax assets will result in a decrease in the provision for income taxes. During the year ended January 1, 2015, the valuation allowance was increased by $0.6 million related to management's determination that it was more likely than not that certain state net operating losses created during the year ended January 1, 2015 would not be realized and was increased by $0.1 million related to management's determination that it was more likely than not that certain state net operating losses created in prior years would not be realized.

Effective December 29, 2006, the Company adopted the provisions of ASC Subtopic 740-10. A reconciliation of the change in the amount of unrecognized tax benefits during the years ended January 1, 2015 and December 26, 2013 was as follows (in millions):

	Year Ended January 1, 2015	Year Ended December 26, 2013
Beginning balance	$13.6	$13.6
Increase related to prior year tax positions	—	1.4
Increase related to current year tax positions	0.6	—
Lapse of statute of limitations	(0.6)	(1.4)
Ending balance	$13.6	$13.6

Exclusive of interest and penalties, it is reasonably possible that gross unrecognized tax benefits associated with state tax positions will decrease between $0.4 million and $2.6 million within the next twelve months primarily due to the expiration of the statute of limitations and settlement of tax disputes with taxing authorities.

The total net unrecognized tax benefits that would affect the effective tax rate if recognized at January 1, 2015 and December 26, 2013 was $7.1 million. Additionally, the total net unrecognized tax benefits that would result in an increase to the valuation allowance if recognized at January 1, 2015 and December 26, 2013 was approximately $1.7 million.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits as a component of income tax expense. As of January 1, 2015 and December 26, 2013, the Company has accrued gross interest and penalties of approximately $2.0 million and $1.8 million, respectively. The total amount of interest and penalties recognized in the statement of income for the years ended January 1, 2015, December 26, 2013 and December 27, 2012 was $0.2 million, $0.0 million and $(2.0) million, respectively.

The Company and its subsidiaries collectively file income tax returns in the U.S. federal jurisdiction and various state and U.S. territory jurisdictions. The Company is not subject to U.S. federal or, with limited exceptions, state examinations by tax authorities for years before 2010, and is not subject to U.S. Territory examinations by tax authorities for years before 2011. However, the taxing authorities still have the ability to review the propriety of tax attributes created in closed tax years if such tax attributes are utilized in an open tax year.

In May 2014, the Company was notified that the Internal Revenue Service ("IRS") would examine its 2012 federal income tax return. In January 2015, the Company was notified that the IRS would examine its 2010 federal income tax return. As of the year ended January 1, 2015, the Company has not been notified of any items that are being disputed by the IRS for either year under examination. Management believes that it has provided adequate provision for income taxes relative to the tax years under examination.

8. LITIGATION AND CONTINGENCIES

The Company is presently involved in various judicial, administrative, regulatory and arbitration proceedings concerning matters arising in the ordinary course of business operations, including but not limited to, personal injury claims, landlord-tenant disputes, tax disputes, employment and other contractual matters, some of which are described below. Many of these proceedings are at preliminary stages, and many of these cases seek an indeterminate amount of damages. The Company's theatre operations are also subject to federal, state and local laws governing such matters as wages, working conditions, citizenship and health and sanitation and environmental protection requirements.

On October 9, 2012, staff at the San Francisco Regional Water Quality Board (the "Regional Board") notified United Artists Theatre Circuit, Inc. (“UATC”), an indirect wholly owned subsidiary of the Company, that the Regional Board was contemplating issuing a cleanup and abatement order to UATC with respect to a property in Santa Clara, California that UATC owned and then leased during the 1960s and 1970s. On June 25, 2013, the Regional Board issued a tentative order to UATC setting out proposed site clean-up requirements for UATC with respect to the property. According to the Regional Board, the property in question has been contaminated by dry-cleaning facilities that operated at the property in question from approximately 1961 until 1996. The Regional Board also issued a tentative order to the current property owner, who has been conducting site investigation and remediation activities at the site for several years. UATC submitted comments to the Regional Board on July 28, 2013, objecting to the tentative order. The Regional Board considered the matter at its regular meeting on September 11, 2013 and adopted the tentative order with only minor changes. On October 11, 2013, UATC filed a petition with the State Water Resources Control Board (“State Board”) for review of the Regional Board’s order. The State Board has not yet acted on the petition. UATC is cooperating with the Regional Board while its petition remains pending before the State Board. UATC intends to vigorously defend this matter. We believe that we are, and were during the period in question described in this paragraph, in compliance with such applicable laws and regulations.

On June 17, 2014, Starlight Cinemas, Inc. (the "Plaintiff") filed a complaint and demand for jury trial in the Superior Court of the State of California, County of Los Angeles, Central District against Regal alleging various violations by Regal of California antitrust and unfair competition laws and common law. On July 14, 2014, Regal removed the action to the United States District Court for the Central District of California. The Plaintiff alleges, among other things, that Regal has adversely affected the Plaintiff’s ability to exhibit first-run, feature-length motion pictures at its Corona, California theatre. The Plaintiff is seeking, among other things, compensatory, treble and punitive damages and equitable relief enjoining Regal from engaging in future anticompetitive conduct. Regal filed a motion to dismiss all claims. The United States District Court for the Central District of California granted the motion on October 23, 2014. Plaintiff's subsequent attempts to file an amended complaint were struck and denied. On February 5, 2015, the Plaintiff filed a notice of appeal with the United States Court of Appeal for the Ninth Circuit. Management believes that the allegations and claims are without merit and intends to vigorously defend against the Plaintiff's claims if the Plaintiff pursues the case.

On July 10, 2014, the State of New York approved a sales tax refund claim filed by the Company to recover sales taxes paid on certain nontaxable purchases made by the Company during the fiscal 2008 through fiscal 2012 periods. The refund totaled approximately $17.4 million, including interest. The Company recorded the refund by reducing "Other operating expenses" by approximately $16.8 million and "Interest expense, net" by approximately $0.6 million.

As discussed in Note 4—"Investments," on May 5, 2014, NCM, Inc. announced that it had entered into an agreement to acquire Screenvision, LLC for $375 million, consisting of cash and NCM, Inc. common stock. Consummation of the transaction is subject to antitrust clearance and other customary closing conditions. On November 3, 2014, the U.S. Department of Justice ("DOJ") filed an antitrust lawsuit seeking to enjoin the proposed merger between NCM, Inc. and Screenvision, LLC. If NCM, Inc. does not receive this approval or if the closing conditions in the agreement cannot be satisfied, NCM, Inc. may be required to pay a termination fee of approximately $28.8 million. National CineMedia has indemnified NCM, Inc. for the termination fee. Accordingly, each founding member bears a pro rata portion of this fee based upon their ownership percentage in National CineMedia. The Company holds an investment in National CineMedia of 20.1% as of January 1, 2015. As of January 1, 2015, National CineMedia did not have a liability recorded for this termination fee as it does not believe payment to be probable.

In situations where management believes that a loss arising from proceedings described herein is probable and can reasonably be estimated, the Company records the amount of the loss, or the minimum estimated liability when the loss is estimated using a range and no amount within the range is more probable than another. As additional information becomes available, any potential liability related to these proceedings is assessed and the estimates are revised, if necessary. The amounts reserved for such proceedings totaled approximately $2.8 million (primarily landlord-tenant disputes) as of January 1, 2015. Management believes any additional liability with respect to these claims and disputes will not be material in the aggregate to the Company's consolidated financial position, results of operations or cash flows. Under ASC Topic 450, Contingencies—Loss Contingencies, an event is "reasonably possible" if "the chance of the future event or events occurring is more than remote but less than likely" and an event is "remote" if "the chance of the future event or events occurring is slight." Thus, references to the upper end of the range of reasonably possible loss for cases in which the Company is able to estimate a range of reasonably possible loss mean the upper end of the range of loss for cases for which the Company believes the risk of loss is more than slight. Management is unable to estimate a range of reasonably possible loss for cases described herein in which damages have not been specified and (i) the proceedings are in early stages, (ii) there is uncertainty as to the likelihood of a class being certified or the ultimate size of the class, (iii) there is uncertainty as to the outcome of pending appeals or motions, (iv) there are significant factual issues to be resolved, and/or (v) there are novel legal issues presented. However, for these cases, management does not believe, based on currently available information, that the outcomes of these proceedings will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

Our theatres must comply with Title III of the Americans with Disabilities Act of 1990 (the "ADA") to the extent that such properties are "public accommodations" and/or "commercial facilities" as defined by the 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, awards of damages to private litigants and additional capital expenditures to remedy such non-compliance.

In prior years, private litigants and the DOJ had filed claims against the Company alleging that a number of theatres with stadium seating violated the ADA because these theatres allegedly failed to provide wheelchair-bound patrons with lines of sight comparable to those available to other members of the general public and denied persons in wheelchairs access to the stadium portion of the theatres. On June 8, 2005, Regal reached an agreement with the DOJ resolving and dismissing the private litigants' claims and all claims made by the United States under the ADA. On December 9, 2010, the parties renewed the Consent Decree for another three year term. On or about February 5, 2014 the Company filed its final compliance report and fulfilled all of its obligations under the Consent Decree. From time to time, the Company receives claims that the stadium seating offered by theatres allegedly violates the ADA. In these instances, the Company seeks to resolve or dismiss these claims based on the terms of the DOJ settlement or under applicable ADA standards.

The accessibility of theatres to persons with visual impairments or that are deaf or hard of hearing remains a topic of interest to the DOJ and they have published an Advance Notice of Proposed Rulemaking concerning the provision of closed captioning and descriptive audio within the theatre environment. The Company believes it provides the members of the visually and hearing impaired communities with reasonable access to the movie-going experience, and has deployed new digital captioning and descriptive video systems that should meet all such potential requirements or expectations of any federal, state or individual concerns. The Company believes that it is in substantial compliance with all current applicable regulations relating to accommodations for the disabled. The Company intends to comply with future regulations in this regard and except as set forth above, does not currently anticipate that compliance will require the Company to expend substantial funds.

The Company has entered into employment contracts (the "employment contracts"), with four of its current executive officers, Ms. Miles and Messrs. Dunn, Ownby, and Brandow, to whom we refer as the "executive" or "executives." Under each of the employment contracts, the Company must indemnify each executive from and against all liabilities with respect to such executive's service as an officer, and as a director, to the extent applicable. In addition, under the employment contracts, each executive is entitled to severance payments in connection with the termination by the Company of the executive without cause, the termination by the executive for good reason, or the termination of the executive, under circumstances in connection with a change in control of the Company (as defined within each employment contract).

Pursuant to each employment contract, the Company provides for severance payments if the Company terminates an executive's employment without cause or if an executive terminates his or her employment for good reason; provided, however, such executive must provide written notification to the Company of the existence of a condition constituting good reason within 90 days of the initial existence of such condition and the resignation must occur within two (2) years of such existence date. Under these circumstances, the executive shall be entitled to receive severance payments equal to (i) the actual bonus, pro-rated to the date of termination, that executive would have received with respect to the fiscal year in which the termination occurs; (ii) two times the executive's annual base salary plus one times the executive's target bonus; and (iii) continued coverage under any medical, health and life insurance plans for a 24-month period following the date of termination.

If the Company terminates any executive's employment, or if any executive resigns for good reason, within three (3)months prior to, or one (1) year after, a change of control of the Company (as defined within each employment contract), the executive shall be entitled to receive severance payments equal to: (i) the actual bonus, pro-rated to the date of termination, that executive would have received with respect to the fiscal year in which the termination occurs; and (ii)(a) in the case of Ms. Miles, two and one-half times the executive's annual base salary plus two times the executive's target bonus; and (b) in the case of Messrs. Dunn, Ownby, and Brandow, two times the executive's annual salary plus one and one-half times the executive's target bonus; and (iii) continued coverage under any medical, health and life insurance plans for a 30-month period following the date of termination.

Pursuant to the employment contracts, the maximum amount of payments and benefits payable to Ms. Miles and Messrs. Dunn, Ownby and Brandow, in the aggregate, if such executives were terminated (in the event of a change of control) would be approximately $10.6 million.

Each employment contract contains standard provisions for non-competition and non-solicitation of the Company's employees (other than the executive's secretary or other administrative employee who worked directly for executive) that are effective during the term of the executive's employment and shall continue for a period of one year following the executive's termination of employment with the Company. Each Executive is also subject to a permanent covenant to maintain confidentiality of the Company's confidential information.

9. CAPITAL STOCK AND SHARE-BASED COMPENSATION

Capital Stock

As of January 1, 2015, the Company's authorized capital stock consisted of:

- 500,000,000 shares of Class A common stock, par value $0.001 per share;
- 200,000,000 shares of Class B common stock, par value $0.001 per share; and
- 50,000,000 shares of preferred stock, par value $0.001 per share.

Of the authorized shares of Class A common stock, 18.0 million shares were sold in connection with the Company's initial public offering in May 2002. The Company's Class A common stock is listed on the New York Stock Exchange under the trading symbol "RGC." As of January 1, 2015, 132,465,104 shares of Class A common stock were outstanding. Of the authorized shares of Class B common stock, 23,708,639 shares were outstanding as of January 1, 2015, all of which are beneficially owned by Anschutz Company and its affiliates (collectively, "Anschutz"). Each share of Class B common stock converts into a single share of Class A common stock at the option of the holder or upon certain transfers of a holder's Class B common stock. Each holder of Class B common stock is entitled to ten votes for each outstanding share of Class B common stock owned by that stockholder on every matter properly submitted to the stockholders for their vote. Of the authorized shares of the preferred stock, no shares were issued and outstanding as of January 1, 2015. The Class A common stock is entitled to a single vote for each outstanding share of

Class A common stock on every matter properly submitted to the stockholders for a vote. Except as required by law, the Class A and Class B common stock vote together as a single class on all matters submitted to the stockholders. The material terms and provisions of the Company's certificate of incorporation affecting the relative rights of the Class A common stock and the Class B common stock are described below.

Common Stock

The Class A common stock and the Class B common stock are identical in all respects, except with respect to voting and except that each share of Class B common stock will convert into a single share of Class A common stock at the option of the holder or upon a transfer of the holder's Class B common stock, other than to certain transferees. Each holder of Class A common stock will be entitled to a single vote for each outstanding share of Class A common stock owned by that stockholder on every matter properly submitted to the stockholders for their vote. Each holder of Class B common stock will be entitled to ten votes for each outstanding share of Class B common stock owned by that stockholder on every matter properly submitted to the stockholders for their vote. Except as required by law, the Class A common stock and the Class B common stock will vote together on all matters. Subject to the dividend rights of holders of any outstanding preferred stock, holders of common stock are entitled to any dividend declared by the Board of Directors out of funds legally available for this purpose, and, subject to the liquidation preferences of any outstanding preferred stock, holders of common stock are entitled to receive, on a pro rata basis, all the Company's remaining assets available for distribution to the stockholders in the event of the Company's liquidation, dissolution or winding up. No dividend can be declared on the Class A or Class B common stock unless at the same time an equal dividend is paid on each share of Class B or Class A common stock, as the case may be. Dividends paid in shares of common stock must be paid, with respect to a particular class of common stock, in shares of that class.

Holders of common stock do not have any preemptive right to become subscribers or purchasers of additional shares of any class of the Company's capital stock. The outstanding shares of common stock are, when issued and paid for, fully paid and nonassessable. The rights, preferences and privileges of holders of common stock may be adversely affected by the rights of the holders of shares of any series of preferred stock that the Company may designate and issue in the future.

Preferred Stock

The Company's certificate of incorporation allows the Company to issue, without stockholder approval, preferred stock having rights senior to those of the common stock. The Company's Board of Directors is authorized, without further stockholder approval, to issue up to 50,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions of any series of preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, and to fix the number of shares constituting any series and the designations of these series. The issuance of preferred stock could decrease the amount of earnings and assets available for distribution to the holders of common stock or could adversely affect the rights and powers, including voting rights, of the holders of common stock. The issuance of preferred stock could also have the effect of decreasing the market price of the Class A common stock. As of January 1, 2015, no shares of preferred stock are outstanding.

Share Repurchase Program

The Company made no repurchases of its outstanding Class A common stock under the program during the years ended January 1, 2015, December 26, 2013 and December 27, 2012.

Warrants

No warrants to acquire the Company's Class A or Class B common stock were outstanding as of January 1, 2015.

Dividends

Regal paid four quarterly cash dividends of $0.22 per share on each outstanding share of the Company's Class A and Class B common stock, or approximately $138.6 million in the aggregate, during the year ended January 1, 2015. In addition, on December 15, 2014, Regal paid an extraordinary cash dividend of $1.00 per share on each outstanding share of our Class A and Class B common stock, or approximately $156.2 million. Regal paid four quarterly cash dividends of $0.21 per share on each outstanding share of the Company's Class A and Class B common stock, or approximately $132.2 million in the aggregate, during the year ended December 26, 2013. Regal paid four quarterly cash dividends of $0.21 per share on each outstanding share of the Company's Class A and Class B common stock, or approximately $131.8 million in the aggregate, during the year ended December 27, 2012. In addition, on November 29, 2012, Regal declared an extraordinary cash dividend of $1.00 per share on each outstanding share of its Class A and Class B common stock, or approximately $155.5 million in the aggregate. Stockholders of record at the close of business on December 11, 2012 were paid this dividend on December 27, 2012.

Share-Based Compensation

In 2002, the Company established the Regal Entertainment Group Stock Incentive Plan (the "Incentive Plan") for a total of 11,194,354 authorized shares, which provides for the granting of incentive stock options and non-qualified stock options to officers, employees and consultants of the Company. As described below under "Restricted Stock" and "Performance Share

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Units" the Incentive Plan also provides for grants of restricted stock and performance shares that are subject to restrictions and risks of forfeiture.

In connection with the extraordinary cash dividends paid through December 27, 2012 and pursuant to the antidilution adjustment terms of the Incentive Plan, the total number shares of Class A common stock authorized for issuance under the Incentive Plan was increased to 23,319,207 (after giving effect to the 2005 and 2012 amendments to the Incentive Plan). As of January 1, 2015, and after giving effect to the aforementioned antidilution adjustments and the amendments to the Incentive Plan, 4,620,331 shares remain available for future issuance under the Incentive Plan.

Stock Options

There were no stock options granted during the years ended January 1, 2015, December 26, 2013 and December 27, 2012. No compensation expense related to stock options was recorded during the years ended January 1, 2015, December 26, 2013 and December 27, 2012.

The Company receives a tax deduction for certain stock option exercises during the period the options are exercised, generally for the excess of the price at which the stock is sold over the exercise price of the options. The Company is required to report excess tax benefits from the award of equity instruments as financing cash flows. Excess tax benefits are recorded when a deduction reported for tax return purposes for an award of equity instruments exceeds the cumulative compensation cost for the instruments recognized for financial reporting purposes. For the year ended January 1, 2015, the accompanying consolidated statement of cash flows reflects less than $0.1 million of excess tax benefits as financing cash flows. Net cash proceeds from the exercise of stock options were $0.1 million for the year ended January 1, 2015. The actual income tax benefit realized from stock option exercises was less than $0.1 million for the same period.

The following table represents stock option activity for the year ended January 1, 2015:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contract Life (Yrs.)
Outstanding options at beginning of year	3,900	$ 13.72	0.49
Granted during the year	—	—	
Exercised during the year	(3,900)	13.72	
Forfeited during the year	—	—	
Outstanding options at end of year	—	$—	0.00
Exercisable options at end of year	—	$—	0.00

Total intrinsic value of options exercised was less than $0.1 million, $0.5 million and $2.2 million, for the years ended January 1, 2015, December 26, 2013, and December 27, 2012, respectively. As of January 1, 2015 and December 26, 2013, the Company had no nonvested stock options outstanding.

Restricted Stock

The Incentive Plan also provides for restricted stock awards to officers, directors and key employees. Under the Incentive Plan, shares of Class A common stock of the Company may be granted at nominal cost to officers, directors and key employees, subject to a continued employment/service restriction. The restriction is fulfilled upon continued employment or service (in the case of directors) for a specified number of years (typically one to four years after the award date) and as such restrictions lapse, the award immediately vests. In addition, we will receive a tax deduction when restricted stock vests. The Incentive Plan participants are entitled to cash dividends and to vote their respective shares, although the sale and transfer of such shares is prohibited during the restricted period. The shares are also subject to the terms and conditions of the Incentive Plan.

On various dates during the fiscal year ended December 27, 2012, 335,496 restricted shares were granted under the Incentive Plan at nominal cost to officers, directors and key employees. On January 9, 2013, 297,866 restricted shares were granted under the Incentive Plan at nominal cost to officers, directors and key employees. On January 8, 2014, 227,447 restricted shares were granted under the Incentive Plan at nominal cost to officers, directors and key employees. These awards vest 25% at the end of each year for 4 years (in the case of officers and key employees) and vest 100% at the end of one year (in the case of directors). The closing price of the Company's Class A common stock ranged from $12.30 to $13.42 per share on the dates of the fiscal 2012 grants, was $14.19 per share on January 9, 2013, and was $19.08 on January 8, 2014. The Company assumed a forfeiture rate of 4% for such restricted stock awards.

During the years ended January 1, 2015, December 26, 2013 and December 27, 2012, the Company withheld approximately 194,675 shares, 290,119 shares and 140,775 shares, respectively, of restricted stock at an aggregate cost of approximately $3.8 million, $4.4 million and $1.8 million, respectively, as permitted by the applicable equity award agreements, to satisfy employee tax withholding requirements related to the vesting of restricted stock awards. On January 12, 2014, 330,750 performance share awards (originally granted on January 12, 2011) were effectively converted to shares of restricted common stock. As of the calculation date, which was January 12, 2014, threshold performance goals for these awards were satisfied, and therefore, all 330,750 outstanding performance shares were converted to restricted shares as of January 12, 2014. These awards fully vested on January 12, 2015, the one year anniversary of the calculation date. In addition, on January 13, 2013, 273,719 performance share awards (originally granted on January 13, 2010) were effectively converted to shares of restricted common stock. As of the calculation date, which was January 13, 2013, threshold performance goals for these awards were satisfied, and therefore, all 273,719 outstanding performance shares were converted to restricted shares as of January 13, 2013. These awards fully vested on January 13, 2014, the one year anniversary of the calculation date. Finally, on January 14, 2012, 360,489 performance share awards (originally granted on January 14, 2009) were effectively converted to shares of restricted common stock. As of the calculation date, which was January 14, 2012, threshold performance goals for these awards were satisfied, and therefore, all 360,489 outstanding performance shares were converted to restricted shares as of January 14, 2012. These awards fully vested on January 14, 2013, the one year anniversary of the calculation date.

During the fiscal years ended January 1, 2015, December 26, 2013 and December 27, 2012, the Company recognized approximately $4.1 million, $4.6 million and $4.6 million, respectively, of share-based compensation expense related to restricted share grants. Such expense is presented as a component of "General and administrative expenses." The compensation expense for these awards was determined based on the market price of the Company's stock at the date of grant applied to the total numbers of shares that were anticipated to fully vest. As of January 1, 2015, we have unrecognized compensation expense of $4.1 million associated with restricted stock awards.

The following table represents the restricted stock activity for the years ended January 1, 2015, December 26, 2013 and December 27, 2012:

	Year Ended January 1, 2015	Year Ended December 26, 2013	Year Ended December 27, 2012
Unvested at beginning of year:	927,261	1,175,830	950,318
Granted during the year	227,447	297,866	335,496
Vested during the year	(576,921)	(813,528)	(453,107)
Forfeited during the year	(23,172)	(6,626)	(17,366)
Conversion of performance shares during the year	330,750	273,719	360,489
Unvested at end of year	885,365	927,261	1,175,830

During the year ended January 1, 2015, the Company paid four cash dividends of $0.22 on each share of outstanding restricted stock totaling approximately $0.8 million. In addition, on December 15, 2014, Regal paid an extraordinary cash dividend of $1.00 on each share of outstanding restricted stock totaling approximately $0.9 million.

Performance Share Units

The Incentive Plan also provides for grants in the form of performance share units to officers, directors and key employees. Performance share agreements are entered into between the Company and each grantee of performance share units. In 2009, the Company adopted an amended and restated form of performance share agreement (each, a "Performance Agreement" and collectively, the "Performance Agreements"). Pursuant to the terms and conditions of the Performance Agreements, grantees will be issued shares of restricted common stock of the Company in an amount determined by the attainment of Company performance criteria set forth in each Performance Agreement. The shares of restricted common stock received upon attainment of the performance criteria will be subject to further vesting over a period of time, provided the grantee remains a service provider to the Company during such period. Under the Performance Agreement, which is described in the section entitled "Compensation Discussion and Analysis—Elements of Compensation—Performance Shares," of our 2014 proxy statement filed with the Commission on March 21, 2014, each performance share represents the right to receive from 0% to 150% of the target numbers of shares of restricted Class A common stock. During the fiscal year ended December 27, 2012, 330,124 performance shares were granted under the Incentive plan at nominal cost to officers and key employees. In addition, on January 9, 2013, 293,961 performance shares were granted under the Incentive Plan at nominal cost to officers and key employees. Finally, on January 8, 2014, 226,471 performance shares were granted under the Incentive Plan at nominal cost to officers and key employees. The number of shares of restricted common stock earned are determined based on the attainment of specified performance goals by January 11, 2015 (the third anniversary of the grant date for the January 11, 2012 grant), June 25, 2015 (the third anniversary of the grant date for the June 25, 2012 grant), January 9, 2016 (the third anniversary of the grant date for the January 9, 2013 grant), and January 8, 2017 (the third anniversary of the grant date for the January 8, 2014 grant) as set forth in the Performance Agreement. All such performance shares vest on the fourth anniversary of their respective grant dates. The shares are subject to the terms and conditions of the Incentive Plan. The closing price of the Company's Class A common stock on the date of grant was $12.30 on January 11, 2012, $13.42 on June 25, 2012, $14.19 on January 9, 2013, and $19.08 on January 8, 2014, which approximates the respective grant date fair value of the awards. The Company assumed a forfeiture rate of 8% for such performance share awards.

As of the respective grant dates, the aggregate grant date fair value of performance share awards outstanding as of January 1, 2015 was determined to be $18.8 million, which includes related dividends on shares estimated to be earned and paid on the third anniversary of the respective grant dates. The fair value of the performance share awards are amortized as compensation expense over the expected term of the awards of 4 years. During the years ended January 1, 2015, December 26, 2013 and December 27, 2012, the Company recognized approximately $5.4 million, $4.7 million and $5.7 million, respectively, of share-based compensation expense related to performance share grants. Such expense is presented as a component of "General and administrative expenses." As of January 1, 2015, we have unrecognized compensation expense of $5.4 million associated with performance share units. On January 12, 2014, 330,750 performance share awards (originally granted on January 12, 2011) were effectively converted to shares of restricted common stock. As of the calculation date, which was January 12, 2014, threshold performance goals for these awards were satisfied, and therefore, all 330,750 outstanding performance shares were converted to restricted shares as of January 12, 2014. On January 13, 2013, 273,719 performance shares (originally granted on January 13, 2010) were effectively converted to shares of restricted common stock. As of the calculation date, which was January 13, 2013, threshold performance goals for these awards were satisfied, and therefore, all 273,719 outstanding performance shares were converted to restricted shares as of January 13, 2013. On January 14, 2012, 360,489 performance share awards (originally granted on January 14, 2009) were effectively converted to shares of restricted common stock. As of the calculation date, which was January 14, 2012, threshold performance goals for these awards were satisfied, and therefore, all 360,489 outstanding performance shares were converted to restricted shares as of January 14, 2012.

The following table summarizes information about the Company's number of performance shares for the years ended January 1, 2015, December 26, 2013 and December 27, 2012:

	Year Ended January 1, 2015	Year Ended December 26, 2013	Year Ended December 27, 2012
Unvested at beginning of year:	940,767	929,023	1,227,207
Granted (based on target) during the year	226,471	293,961	330,124
Cancelled/forfeited during the year	(23,561)	(8,498)	(267,819)
Conversion to restricted shares during the year	(330,750)	(273,719)	(360,489)
Unvested at end of year	812,927	940,767	929,023

In connection with the conversion of the above 330,750 performance shares, during the year ended January 1, 2015, the Company paid a cumulative cash dividend of $3.52 (representing the sum of all cash dividends paid from January 12, 2011 through January 12, 2014) on each performance share converted, totaling approximately $1.2 million. In connection with the conversion of the above 273,719 performance shares, during the year ended December 26, 2013, the Company paid a cumulative cash dividend of $4.80 (representing the sum of all cash dividends paid from January 13, 2010 through January 13, 2013) on each performance share converted, totaling approximately $1.3 million. In connection with the conversion of the above 360,489 performance shares, during the year ended December 27, 2012, the Company paid a cumulative cash dividend of $3.68 (representing the sum of all cash dividends paid from January 14, 2009 through January 14, 2012) on each performance share converted, totaling approximately $1.3 million. The above table does not reflect the maximum or minimum number of shares of restricted stock contingently issuable. An additional 0.4 million shares of restricted stock could be issued if the performance criteria maximums are met.

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10. RELATED PARTY TRANSACTIONS

During each of the years ended January 1, 2015, December 26, 2013 and December 27, 2012, Regal Cinemas incurred less than $0.1 million of expenses payable to Anschutz affiliates for certain advertising services. Also during each of the years ended January 1, 2015, December 26, 2013 and December 27, 2012, Regal Cinemas approximately $0.1 million from an Anschutz affiliate for rent and other expenses related to a theatre facility.

During each of the years ended January 1, 2015, December 26, 2013 and December 27, 2012, in connection with an agreement with an Anschutz affiliate, Regal received various forms of advertising in exchange for on-screen advertising provided in certain of its theatres. The value of such advertising was approximately $0.1 million.

During each of the years ended January 1, 2015, December 26, 2013 and December 27, 2012, the Company received approximately $0.5 million from an Anschutz affiliate for management fees related to a theatre site in Los Angeles, California.

Please also refer to Note 4—"Investments" for a discussion of other related party transactions associated with our various investments in non-consolidated entities.

11. EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

The Company sponsors an employee benefit plan, the Regal Entertainment Group 401(k) Plan (the "401k Plan") under section 401(k) of the Internal Revenue Code of 1986, as amended, for the benefit of substantially all employees. The 401k Plan provides that participants may contribute up to 50% of their compensation, subject to Internal Revenue Service limitations. The 401k Plan currently matches an amount equal to 100% of the first 3% of the participant's contributions and 50% of the next 2% of the participant's contributions. Employee contributions are invested in various investment funds based upon elections made by the employee. The Company made matching contributions of approximately $3.3 million, $3.1 million and $2.9 million to the 401k Plan in 2014, 2013 and 2012, respectively.

Union-Sponsored Plans

As of January 1, 2015, certain former theatre employees are covered by five insignificant union-sponsored multiemployer pension and health and welfare plans. Company contributions into those plans were determined in accordance with provisions of negotiated labor contracts and aggregated approximately $0.1 million, less than $0.1 million and approximately $0.1 million for the years ended January 1, 2015, December 26, 2013 and December 27, 2012, respectively.

During the year ended December 26, 2013, the Company received a notice of a written demand for payment of a complete withdrawal liability assessment from a collectively-bargained multiemployer pension plan, Local 160, Greater Cleveland Moving Picture Projector Operator's Pension Plan ("Local 160") (Employment Identification No. 51-6115679), that covered certain of its unionized theatre employees. The Company made a complete withdrawal from Local 160 during the year ended December 27, 2012. The Company has established an estimated withdrawal liability of approximately $0.7 million related to its remaining plans, including Local 160, as of January 1, 2015.

During the year ended December 27, 2012, the Company received a notice of a written demand in the amount of $0.2 million for payment of a complete withdrawal liability assessment from a collectively-bargained multiemployer pension plan, Local 640, IATSE Welfare and Retirement Funds ("Local 640") (Employment Identification

No. 113507668), that covered certain of its unionized theatre employees. The Company made a complete withdrawal from Local 640 during the year ended December 27, 2012. Through fiscal 2013, the Company provided Local 640 with a lump sum settlement payment of approximately $0.2 million to satisfy in full the withdrawal liability associated with the Local 640 plan.

During the year ended December 29, 2011, the Company received a notice of a written demand for payment of a complete withdrawal liability assessment from a collectively-bargained multiemployer pension plan, Pension and Welfare Funds of Moving Picture Machine Operators Union of Greater New York, Local 306 ("Local 306") (Employment Identification No. 131665124), that covered certain of its unionized theatre employees. The Company made a complete withdrawal from Local 306 during the year ended December 29, 2011. During fiscal 2012, the Company provided Local 306 with a lump sum settlement payment of approximately $2.6 million to satisfy in full the withdrawal liability associated with the Local 306 plan.

12. EARNINGS PER SHARE

We compute earnings per share of Class A and Class B common stock using the two-class method. Basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common shares and, if dilutive, common stock equivalents outstanding during the period. Potential common stock equivalents consist of the incremental common shares issuable upon the exercise of common stock options, or vesting of restricted stock and performance share units. The dilutive effect of outstanding stock options, restricted stock and performance share units is reflected in diluted earnings per share by application of the treasury-stock method. In addition, the computation of the diluted earnings per share of Class A common stock assumes the conversion of Class B common stock, while the diluted earnings per share of Class B common stock does not assume the conversion of those shares.

The rights, including the liquidation and dividend rights, of the holders of our Class A and Class B common stock are identical, except with respect to voting. The earnings for the periods presented are allocated based on the contractual participation rights of the Class A and Class B common shares. As the liquidation and dividend rights are identical, the earnings are allocated on a proportionate basis. Further, as we assume the conversion of Class B common stock in the computation of the diluted earnings per share of Class A common stock, the earnings are equal to net income attributable to controlling interest for that computation.

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January 1, 2015, December 26, 2013 and December 27, 2012

The following table sets forth the computation of basic and diluted earnings per share of Class A and Class B common stock (in millions, except share and per share data):

	Year Ended January 1, 2015		Year Ended December 26, 2013		Year Ended December 27, 2012	
	Class A	Class B	Class A	Class B	Class A	Class B
Basic earnings per share:						
Numerator:						
Allocation of earnings	$89.5	$16.1	$133.6	$24.1	$120.4	$21.9
Denominator:						
Weighted average common shares outstanding (in thousands)	131,578	23,709	131,117	23,709	130,465	23,709
Basic earnings per share	$0.68	$0.68	$1.02	$1.02	$0.92	$0.92
Diluted earnings per share:						
Numerator:						
Allocation of earnings for basic computation	$89.5	$16.1	$133.6	$24.1	$120.4	$21.9
Reallocation of earnings as a result of conversion of Class B to Class A shares	16.1	—	24.1	—	21.9	—
Reallocation of earnings to Class B shares for effect of other dilutive securities	—	—	—	(0.1)	—	(0.2)
Allocation of earnings	$105.6	$16.1	$157.7	$24.0	$142.3	$21.7
Denominator:						
Number of shares used in basic computation (in thousands)	131,578	23,709	131,117	23,709	130,465	23,709
Weighted average effect of dilutive securities (in thousands)						
Add:						
Conversion of Class B to Class A common shares outstanding	23,709	—	23,709	—	23,709	—
Stock options	—	—	2	—	23	—
Restricted stock and performance shares	1,023	—	895	—	793	—
Number of shares used in per share computations (in thousands)	156,310	23,709	155,723	23,709	154,990	23,709
Diluted earnings per share	$0.68	$0.68	$1.01	$1.01	$0.92	$0.92

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the entity transacts. The inputs used to develop these fair value measurements are established in a hierarchy, which ranks the quality and reliability of the information used to determine fair value. The fair value classification is based on levels of inputs. Assets and liabilities that are carried at fair value are classified and disclosed in one of the following categories described in ASC Topic 820, Fair Value Measurements and Disclosures:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

The following table summarizes the fair value hierarchy of the Company's financial assets and liabilities carried at fair value on a recurring basis as of January 1, 2015:

	Total Carrying Value at January 1, 2015	Fair Value Measurements at January 1, 2015 Using		
		Quoted prices in active market (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		(in millions)		
Assets:				
Equity securities, available for sale(1)	$3.8	$3.8	$—	$—
Total assets at fair value	$3.8	$3.8	$—	$—
Liabilities:				
Interest rate swaps(2)	$4.7	$—	$4.7	$—
Total liabilities at fair value	$4.7	$—	$4.7	$—

(1) The Company maintains an investment in RealD, Inc., an entity specializing in the licensing of 3D technologies. In connection with the RealD, Inc. motion picture license agreement, the Company received 1,222,780 shares of RealD, Inc. common stock during fiscal 2010. The fair value of the RealD, Inc. shares is determined using RealD, Inc.'s publicly traded common stock price, which falls under Level 1 of the valuation hierarchy. The held shares of RealD, Inc. stock are accounted for as available-for-sale equity securities and recurring fair value adjustments to these shares are recorded to "Other Non-Current Assets" with a corresponding entry to "Accumulated other comprehensive income (loss)" on a quarterly basis. During the quarter ended June 27, 2013, the Company sold 400,000 shares of RealD, Inc. common stock at prices ranging from $14.61 to $15.42 per share. In connection with the sale, the Company received approximately $5.9 million in aggregate net proceeds (after deducting related fees and expenses) and recorded a gain on sale of approximately $2.6 million. During the year ended January 1, 2015, the Company sold a total of 500,000 shares of RealD, Inc. common stock at prices ranging from $11.27 to $12.47 per share. In connection with the sales, the Company received approximately $6.0 million in aggregate net proceeds (after deducting related fees and expenses) and recorded a gain on sale of approximately $2.0 million. During the year ended January 1, 2015, the Company recorded a net decrease to its investment in RealD, Inc. of approximately $3.2 million and a corresponding net increase to "Accumulated other comprehensive income, net" of $0.5 million, net of tax. The fair value of the remaining 322,780 RealD, Inc. common shares was $3.8 million, based on the publicly traded common stock price of RealD, Inc. as of January 1, 2015 of $11.80 per share.

(2) The fair value of the Company's interest rate swaps described in Note 5—"Debt Obligations" is based on Level 2 inputs, which include observable inputs such as dealer quoted prices for similar assets or liabilities, and represents the estimated amount Regal Cinemas would receive or pay to terminate the agreements taking into consideration various factors, including current interest rates, credit risk and counterparty credit risk. The counterparties to the Company's interest rate swaps are major financial institutions. The Company evaluates the bond ratings of the financial institutions and believes that credit risk is at an acceptably low level. As of January 1, 2015, the aggregate fair value the Company's interest rate swaps was determined to be approximately $(4.7) million, which was recorded as components of "Other Non-Current Liabilities" (approximately $0.1 million) and "Accrued expenses" (approximately $4.6 million) with a corresponding amount of $(2.9) million, net of tax, recorded to "Accumulated other comprehensive loss, net." As of December 26, 2013, the aggregate fair value of the Company's interest rate swaps was determined to be approximately $(6.6) million, which was recorded as components of "Other

Non-Current Liabilities" (approximately $1.6 million) and "Accrued expenses" (approximately $5.0 million) with a corresponding amount of $(4.0) million, net of tax, recorded to "Accumulated other comprehensive loss, net." These interest rate swaps exhibited no ineffectiveness during the years ended January 1, 2015, December 26, 2013 and December 27, 2012 and accordingly, the net gain on the swaps, net of tax, of $1.1 million, $2.3 million and $2.8 million, respectively, were reported as a component of other comprehensive income for the years ended January 1, 2015, December 26, 2013 and December 27, 2012.

There were no changes in valuation techniques during the period. There were no transfers in or out of Level 3 during the years ended January 1, 2015, December 26, 2013 and December 27, 2012.

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In addition, the Company is required to disclose the fair value of financial instruments that are not recognized in the statement of financial position for which it is practicable to estimate that value. The methods and assumptions used to estimate the fair value of each class of financial instrument are as follows:

Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities:

The carrying amounts approximate fair value because of the short maturity of these instruments.

Long-Lived Assets, Intangible Assets and Other Investments

As further described in Note 2—"Summary of Significant Accounting Policies," the Company regularly reviews long-lived assets (primarily property and equipment), intangible assets and investments in non-consolidated entities, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. When the estimated fair value is determined to be lower than the carrying value of the asset, an impairment charge is recorded to write the asset down to its estimated fair value.

The Company's analysis relative to long-lived assets resulted in the recording of impairment charges of $5.6 million, $9.5 million and $11.1 million for the years ended January 1, 2015, December 26, 2013 and December 27, 2012, respectively. The long-lived asset impairment charges recorded were specific to theatres that were directly and individually impacted by increased competition, adverse changes in market demographics or adverse changes in the development or the conditions of the areas surrounding the theatres.

In addition, during the year ended December 26, 2013, the Company recorded an impairment charge of approximately $1.5 million pertaining to certain favorable leases associated with the acquisition of Consolidated Theatres. The Company did not record an impairment of any intangible assets during the years ended January 1, 2015 and December 26, 2013.

Finally, the Company did not record an impairment of any investments in non-consolidated subsidiaries accounted for under the equity method during the years ended January 1, 2015, December 26, 2013 or December 27, 2012.

Long term obligations, excluding capital lease obligations, lease financing arrangements and other:

The fair value of the Amended Senior Credit Facility described in Note 5—"Debt Obligations," which consists of the Term Facility and the Revolving Facility, is estimated based on quoted prices (Level 2 inputs as described in ASC Topic 820) as of January 1, 2015 and December 26, 2013. The associated interest rates are based on floating rates identified by reference to market rates and are assumed to approximate fair value. The fair values of the 53/4% Senior Notes Due 2022, the 53/4% Senior Notes Due 2025, and the 53/4% Senior Notes Due 2023 are estimated based on quoted prices (Level 1 inputs as described in ASC Topic 820) for these issuances as of January 1, 2015 and, for the 91/8% Senior Notes, the 85/8% Senior Notes, the 53/4% Senior Notes Due 2025 and the 53/4% Senior Notes Due 2023, December 26, 2013.

The aggregate carrying values and fair values of long-term debt at January 1, 2015 and December 26, 2013 consist of the following:

January 1, 2015

		December 26, 2013
	(in millions)	
Carrying value	$2,240.8	$2,188.3
Fair value	$2,147.6	$2,238.5

14. SUBSEQUENT EVENTS

Performance Share and Restricted Stock Activity

On January 11, 2015, 302,644 performance share awards (originally granted on January 11, 2012) were effectively converted to shares of restricted common stock. As of the calculation date, which was January 11, 2015, threshold performance goals for these awards were satisfied, and therefore, all 302,644 outstanding performance shares were converted to restricted shares as of January 11, 2015. In connection with the conversion of the above 302,644 performance shares, the Company paid a cumulative cash dividend of $4.56 (representing the sum of all cash dividends paid from January 11, 2012 through January 11, 2015) on each performance share converted, totaling approximately $1.4 million.

On January 28, 2015, 234,177 performance shares were granted under our Incentive Plan at nominal cost to officers and key employees. Each performance share represents the right to receive from 0% to 150% of the target numbers of shares of restricted Class A common stock. The number of shares of restricted common stock earned will be determined based on the attainment of specified performance goals by January 28, 2018 (the third anniversary of the grant date) set forth in the 2009 Performance Agreement. The shares are subject to the terms and conditions of the Incentive Plan. The closing price of our Class A common stock on the date of this grant was $20.99 per share.

Also on January 28, 2015, 228,116 restricted shares were granted under the Incentive Plan at nominal cost to officers, directors and key employees. Under the Incentive Plan, Class A common stock of the Company may be granted at nominal cost to officers, directors and key employees, subject to a continued employment/service restriction (typically one to four years after the award date). The awards vest 25% at the end of each year for four years (in the case of officers and key employees) and vest 100% at the end of one year (in the case of directors). The plan participants are entitled to cash dividends and to vote their respective shares, although the sale and transfer of such shares is prohibited during the restricted period. The shares are subject to the terms and conditions of the Incentive Plan. The closing price of our Class A common stock on the date of this grant was $20.99 per share.

Quarterly Dividend Declaration

On February 12, 2015, the Company declared a cash dividend of $0.22 per share on each share of the Company's Class A and Class B common stock (including outstanding restricted stock), payable on March 13, 2015, to stockholders of record on March 3, 2015.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

Item 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit to the Commission under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified by the Commission's rules and forms, and that information is accumulated and communicated to our management, including our principal executive and principal financial officers (whom we refer to in this periodic report as our Certifying Officers), as appropriate to allow timely decisions regarding required disclosure. Our management evaluated, with the participation of our Certifying Officers, the effectiveness of our disclosure controls and procedures as of January 1, 2015, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, our Certifying Officers concluded that, as of January 1, 2015, our disclosure controls and procedures were effective.

Management's Report on Internal Control Over Financial Reporting and Attestation of Registered Public Accounting Firm

Our management's report on internal control over financial reporting and our registered public accounting firm's audit report on the effectiveness of our internal control over financial reporting are included in Part II, Item 8 of this Form 10-K, which are incorporated herein by reference.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our fiscal quarter ended January 1, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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Limitations on the Effectiveness of Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements included in this annual report. The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles and reflect management's judgments and estimates concerning effects of events and transactions that are accounted for or disclosed. The Company's internal control over financial reporting includes those policies and procedures that pertain to the Company's ability to record, process, summarize and report reliable financial data. Management recognizes that there are inherent limitations in the effectiveness of any internal control over financial reporting, including the possibility of human error and the circumvention or overriding of internal control. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

Item 9B. OTHER INFORMATION.

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Biographical and other information regarding our executive officers is provided in Part I of this Form 10-K under the heading "Executive Officers of the Registrant" as permitted by General Instruction G to Form 10-K. The other information required by this item is incorporated by reference to the Company's Proxy Statement on Schedule 14A for its Annual Stockholders Meeting (under the headings "Proposal 1. Election of Class I Directors," "Corporate Governance—Board and Committee Information," "Section 16(a) Beneficial Ownership Reporting Compliance," "Corporate Governance—Code of Business Conduct and Ethics," "Corporate Governance—Committees" and "Corporate Governance—Audit Committee") to be held on May 6, 2015 and to be filed with the Commission within 120 days after January 1, 2015.

Item 11. EXECUTIVE COMPENSATION.

Incorporated by reference to the Company's Proxy Statement for its Annual Stockholders Meeting (under the headings "Compensation Discussion and Analysis," "Executive Compensation," "Corporate Governance—Director Compensation during Fiscal 2014" and "Compensation Committee Report") to be held on May 6, 2015 and to be filed with the Commission within 120 days after January 1, 2015.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Incorporated by reference to the Company's Proxy Statement on Schedule 14A for its Annual Stockholders Meeting (under the headings "Beneficial Ownership of Voting Securities" and "Executive Compensation—Equity Compensation Plan Information") to be held on May 6, 2015 and to be filed with the Commission within 120 days after January 1, 2015.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE.

Incorporated by reference to the Company's Proxy Statement on Schedule 14A for its Annual Stockholders Meeting (under the headings "Certain Relationships and Related Transactions" and "Corporate Governance—Director Independence") to be held on May 6, 2015 and to be filed with the Commission within 120 days after January 1, 2015.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

Incorporated by reference to the Company's Proxy Statement on Schedule 14A for its Annual Stockholders Meeting (under the headings "Audit Committee Report—Independent Registered Public Accounting Firm" and "Audit Committee Report—Audit Committee Pre-Approval Policy") to be held on May 6, 2015 and to be filed with the Commission within 120 days after January 1, 2015.

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PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) The following documents are filed as a part of this report on Form 10-K:

(1) Consolidated financial statements of Regal Entertainment Group:

(2) Exhibits: A list of exhibits required to be filed as part of this report on Form 10-K is set forth in the Exhibit Index, which follows the signature pages of this Form 10-K.

(3) Financial Statement Schedules: The audited financial statements of National CineMedia (the "National CineMedia Financial Statements") were not available as of the date of this annual report on Form 10-K. In accordance with Rule 3-09(b)(1) of Regulation S-X, our Form 10-K will be amended to include the National CineMedia Financial Statements within 90 days after the end of the Company's fiscal year.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	REGAL ENTERTAINMENT GROUP	
March 2, 2015	By:	/s/ AMY E. MILES
		Amy E. Miles
		Chief Executive Officer
		(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ MICHAEL L. CAMPBELL Michael L. Campbell	Chairman of the Board of Directors	March 2, 2015
/s/ AMY E. MILES Amy E. Miles	Chief Executive Officer (Principal Executive Officer)	March 2, 2015
/s/ DAVID H. OWNBY David H. Ownby	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 2, 2015
/s/ THOMAS D. BELL, JR. Thomas D. Bell, Jr.	Director	March 2, 2015
/s/ CHARLES E. BRYMER Charles E. Brymer	Director	March 2, 2015
/s/ STEPHEN A. KAPLAN Stephen A. Kaplan	Director	March 2, 2015
/s/ DAVID KEYTE David Keyte	Director	March 2, 2015
/s/ LEE M. THOMAS Lee M. Thomas	Director	March 2, 2015
/s/ JACK TYRRELL Jack Tyrrell	Director	March 2, 2015
/s/ NESTOR R. WEIGAND, JR. Nestor R. Weigand, Jr.	Director	March 2, 2015
/s/ ALEX YEMENIDJIAN Alex Yemenidjian	Director	March 2, 2015

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EXHIBIT INDEX

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2002 (Commission File No. 001-31315), and incorporated herein by reference)
3.2	Amended and Restated Bylaws of the Company (filed as Exhibit 3.1 to our Quarterly Report on Form 10-Q for the fiscal quarter ended June 26, 2003 (Commission File No. 001-31315), and incorporated herein by reference)
4.1	Specimen Class A Common Stock Certificate (filed as Exhibit 4.1 to Amendment No. 2 to our Registration Statement on Form S-1 (Commission File No. 333-84096) on May 6, 2002, and incorporated herein by reference)
4.2	Specimen Class B Common Stock Certificate (filed as Exhibit 4.2 to Amendment No. 2 to our Registration Statement on Form S-1 (Commission File No. 333-84096) on May 6, 2002, and incorporated herein by reference)
4.3	Second Amended and Restated Guaranty and Collateral Agreement, dated as of May 19, 2010, among Regal Cinemas Corporation, certain subsidiaries of Regal Cinemas Corporation party thereto and Credit Suisse AG, Cayman Islands Branch, as Administrative Agent (filed as Exhibit 4.2 to our Current Report on Form 8-K (Commission File No. 001-31315) on May 20, 2010, and incorporated herein by reference)
4.3.1	Sixth Amended and Restated Credit Agreement, dated May 19, 2010, among Regal Cinemas Corporation, Credit Suisse AG, Cayman Islands Branch, as Administrative Agent and the lenders (filed as Exhibit 4.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on May 20, 2010, and incorporated herein by reference)
4.3.2	Permitted Secured Refinancing Agreement, dated February 23, 2011, among Regal Cinemas Corporation, Regal Entertainment Group, Regal Entertainment Holdings, Inc., the guarantors party thereto, Credit Suisse AG, Cayman Islands Branch and the lenders party thereto (filed as Exhibit 4.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on February 25, 2011, and incorporated herein by reference)
4.3.3	Second Amendment to the Sixth Amended and Restated Credit Agreement, dated April 19, 2013, among Regal Cinemas Corporation, Regal Entertainment Group, Regal Entertainment Holdings, Inc., the guarantors party thereto, Credit Suisse AG, Cayman Islands Branch and the lenders party thereto (filed as Exhibit 4.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on April 25, 2013 and incorporated herein by reference)
4.3.4	Loan Modification Agreement, dated May 28, 2013, among Regal Cinemas Corporation, Regal Entertainment Group, Regal Entertainment Holdings, Inc., the guarantors party thereto, Credit Suisse AG, Cayman Islands Branch and the lenders party thereto (filed as Exhibit 4.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on May 28, 2013 and incorporated herein by reference)
4.4	Amendment to Leveraged Lease Facility and Second Supplemental Indenture, dated as of March 7, 2001, among United Artists Theatre Circuit, Inc., Wilmington Trust Company, William J. Wade, Theatre

	Investors, Inc., Northway Associates Limited Partnership, State Street Bank and Trust Company, Susan Keller, certain beneficial certificate holder affiliates of American Express Financial Corporation and MacKay Shields LLC (filed as Exhibit 10.2 to United Artists Theatre Circuit, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2001 (Commission File No. 033-49598), and incorporated herein by reference)
4.5	Trust Indenture and Security Agreement, dated as of December 13, 1995, between Wilmington Trust Company, William J. Wade and Fleet National Bank of Connecticut and Alan B. Coffey (filed as Exhibit 4.2 to United Artists Theatre Circuit, Inc.'s Registration Statement on Form S-2 (Commission File No. 333-01024) on February 5, 1996, and incorporated herein by reference)
4.6	Pass Through Certificates, Series 1995-A Registration Rights Agreement, dated as of December 13, 1995, among United Artists Theatre Circuit, Inc., Morgan Stanley & Co. Incorporated and Merrill Lynch, Pierce, Fenner & Smith Incorporated (filed as Exhibit 4.3 to United Artists Theatre Circuit, Inc.'s Registration Statement on Form S-2 (Commission File No. 333-01024) on February 5, 1996, and incorporated herein by reference)
4.7	Participation Agreement, dated as of December 13, 1995, among United Artists Theatre Circuit, Inc., Wilmington Trust Company, William J. Wade, Theatre Investors, Inc., Northway Mall Associates, LLC, Wilmington Trust Company, William J. Wade, Fleet National Bank of Connecticut and Alan B. Coffey (filed as Exhibit 4.4 to United Artists Theatre Circuit, Inc.'s Registration Statement on Form S-2 (Commission File No. 333-01024) on February 5, 1996, and incorporated herein by reference)
4.8	Pass Through Trust Agreement, dated as of December 13, 1995, between United Artists Theatre Circuit, Inc. and Fleet National Bank of Connecticut (filed as Exhibit 4.5 to United Artists Theatre Circuit, Inc.'s Registration Statement on Form S-2 (Commission File No. 333-01024) on February 5, 1996, and incorporated herein by reference)

Exhibit Number	Description
4.9	Lease Agreement, dated as of December 13, 1995, between Wilmington Trust Company and William J. Wade and United Artists Theatre Circuit, Inc. (filed as Exhibit 4.6 to United Artists Theatre Circuit, Inc.'s Registration Statement on Form S-2 (Commission File No. 333-01024) on February 5, 1996, and incorporated herein by reference)
4.10	Indenture, dated July 15, 2009, by and between Regal Cinemas Corporation, Regal Entertainment Group, certain subsidiaries of Regal Cinemas Corporation listed as guarantors on the signature pages thereto and U.S. Bank National Association, including the form of 8.625% Senior Note due 2019 (included as Exhibit A to the Indenture) (filed as exhibit 4.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on July 15, 2009, and incorporated herein by reference)
4.10.1	First Supplemental Indenture, dated May 19, 2010, among Regal Entertainment Group, Regal Cinemas, certain subsidiaries of Regal Cinemas named therein and U.S. Bank National Association, as Trustee (filed as Exhibit 4.3 to our Current Report on Form 8-K (Commission File No. 001-31315) on May 20, 2010, and incorporated herein by reference)
4.10.2	Second Supplemental Indenture, dated March 11, 2014, by and among Regal Entertainment Group, Regal Cinemas Corporation, certain subsidiaries of Regal Cinemas Corporation named therein and U.S. Bank National Association, as Trustee (filed as Exhibit 4.2 to our Current Report on Form 8-K (Commission File No. 001-31315) on March 12, 2014 and incorporated herein by reference)
4.11	Indenture, dated August 16, 2010, by and between the Company and Wells Fargo Bank, National Association, as Trustee, including the form of 9.125% Senior Note due 2018 (included as Exhibit A to the Indenture) (filed as Exhibit 4.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on August 18, 2010, and incorporated herein by reference)
4.11.1	First Supplemental Indenture, dated January 7, 2011, between Regal Entertainment Group and Wells Fargo Bank, National Association, as Trustee (filed as Exhibit 4.2 to our Current Report on Form 8-K (Commission File No. 001-31315) on January 7, 2011, and incorporated herein by reference)
4.11.2	Second Supplemental Indenture, dated February 15, 2011, between Regal Entertainment Group and Wells Fargo Bank, National Association, as Trustee (filed as Exhibit 4.3 to our Current Report on Form 8-K (Commission File No. 001-31315) on February 15, 2011, and incorporated herein by reference)
4.11.3	Third Supplemental Indenture, dated March 11, 2014, by and between Regal Entertainment Group and Wells Fargo Bank, National Association, as Trustee (filed as Exhibit 4.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on March 12, 2014 and incorporated herein by reference)
4.12	Indenture, dated January 17, 2013, between Regal Entertainment Group and Wilmington Trust, National Association, as Trustee (filed as Exhibit 4.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on January 17, 2013 and incorporated herein by reference)
4.12.1	First Supplemental Indenture, dated January 17, 2013, between Regal Entertainment Group and Wilmington Trust, National Association, as Trustee, including the form of 5.750% Senior Note due 2025 (attached as Exhibit A to the Indenture) (filed as Exhibit 4.2 to our Current Report on Form 8-K (Commission File No. 001-31315) on January 17, 2013 and incorporated herein by reference)

4.12.2	Second Supplemental Indenture, dated June 13, 2013, by and between Regal Entertainment Group and Wilmington Trust, National Association, as Trustee (filed as Exhibit 4.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on June 13, 2013 and incorporated herein by reference)
4.12.3	Third Supplemental Indenture, dated March 11, 2014, by and between Regal Entertainment Group and Wilmington Trust, National Association, as Trustee (filed as Exhibit 4.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on March 11, 2014 and incorporated herein by reference)
10.1	Regal Entertainment Group Amended and Restated Stockholders' Agreement (filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended September 26, 2002 (Commission File No. 001-31315), and incorporated herein by reference)
10.2	Lease Agreement, dated as of October 1, 1988, between United Artists Properties I Corp. and United Artists Theatre Circuit, Inc. (filed as Exhibit 10.1 to United Artists Theatre Circuit, Inc.'s Registration Statement on Form S-1 (Commission File No. 33-49598) on October 5, 1992, and incorporated herein by reference)
10.3	Contribution and Unit Holders Agreement, dated as of March 29, 2005, among Regal CineMedia Corporation, National Cinema Network, Inc. and National CineMedia, LLC (filed as Exhibit 10.1 to AMC Entertainment Inc.'s Current Report on Form 8-K (Commission File No. 001-08747) on April 4, 2005, and incorporated herein by reference)

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Exhibit Number		Description
10.4		Third Amended and Restated Limited Liability Company Operating Agreement, dated as of February 13, 2007, by and among American Multi-Cinema, Inc., CineMark Media, Inc., Regal CineMedia Holdings, LLC, and National CineMedia, Inc. (filed as Exhibit 10.1 to National CineMedia, Inc.'s Current Report on Form 8-K (Commission File No. 001-33296) on February 16, 2007 and incorporated herein by reference)
10.5	†	Amended and Restated Exhibitor Services Agreement, dated December 26, 2013, by and between National CineMedia, LLC and Regal Cinemas, Inc.
10.6	*	2002 Regal Entertainment Group Stock Incentive Plan (filed as exhibit 10.2 to Amendment No. 2 to our Registration Statement on Form S-1 (Commission File No. 333-84096) on May 6, 2002, and incorporated herein by reference), as amended by Amendment to 2002 Stock Incentive Plan (filed as Appendix A to our Proxy Statement on Schedule 14A (Commission File No. 001-31315) on April 15, 2005, and incorporated herein by reference and as further amended by those amendments (filed in Appendix B to our Proxy Statement on Schedule 14A (Commission File No. 001-31315) on April 20, 2012 and incorporated herein by reference)
10.6.1	*	Form of Stock Option Agreement for use under the Regal Entertainment Group 2002 Stock Incentive Plan, as amended (filed as exhibit 10.2.1 to Amendment No. 2 to our Registration Statement on Form S-1 (Commission File No. 333-84096) on May 6, 2002, and incorporated herein by reference)
10.6.2	*	Form of Restricted Stock Agreement for use under the Regal Entertainment Group 2002 Stock Incentive Plan, as amended (filed as Exhibit 10.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on March 2, 2006, and incorporated herein by reference)
10.6.3	*	Form of Performance Share Agreement (as amended and restated) for use under the Regal Entertainment Group 2002 Stock Incentive Plan, as amended (filed as Exhibit 10.9.4 to our Annual Report on Form 10-K filed for the fiscal year ended January 1, 2009 (Commission File No. 001-31315), and incorporated herein by reference)
10.7	*	Amended and Restated Executive Employment Agreement, dated May 5, 2009, by and between Regal Entertainment Group and Amy E. Miles (filed as Exhibit 10.2 to our Current Report on Form 8-K (Commission File No. 001-31315) on May 6, 2009, and incorporated herein by reference)
10.8	*	Amended and Restated Executive Employment Agreement, dated May 5, 2009, by and between Regal Entertainment Group and Gregory W. Dunn (filed as Exhibit 10.3 to our Current Report on Form 8-K (Commission File No. 001-31315) on May 6, 2009, and incorporated herein by reference)
10.9	*	Executive Employment Agreement, dated May 5, 2009, by and between Regal Entertainment Group and David H. Ownby (filed as Exhibit 10.4 to our Current Report on Form 8-K (Commission File No. 001-31315) on May 6, 2009, and incorporated herein by reference)
10.10	*	Executive Employment Agreement, dated January 13, 2010, by and between Regal Entertainment Group and Peter B. Brandow (filed as Exhibit 10.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on January 19, 2010, and incorporated herein by reference)

10.11	*	Form of Indemnity Agreement (filed as Exhibit 10.15 to our Annual Report on Form 10-K filed for the fiscal year ended January 1, 2009 (Commission File No. 001-31315), and incorporated herein by reference)
10.12	*	Regal Cinemas, Inc. Severance Plan for Equity Compensation (filed as Exhibit 10.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on May 17, 2005, and incorporated herein by reference)
10.13	†	Equipment Contribution Agreement by and between the Company, Digital Cinema Implementation Partners, LLC, Kasima, LLC, Kasima Parent Holdings, LLC, and Kasima Holdings, LLC, dated March 10, 2010 (filed as Exhibit 10.2(1)(2) to our Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2010 (Commission File No. 001-31315), and incorporated herein by reference)
10.14	†	Amended and Restated Limited Liability Company Agreement of Digital Cinema Implementation Partners, LLC, dated as of March 10, 2010 (filed as Exhibit 10.3(1)(2) to our Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 2010 (Commission File No. 001-31315), and incorporated herein by reference)
10.15	*	Separation and General Release Agreement with Michael L. Campbell, dated December 20, 2011 (filed as Exhibit 10.1 to our Current Report on Form 8-K (Commission File No. 001-31315) on December 22, 2011, and incorporated herein by reference)
10.16		Agreement and Plan of Merger, dated February 16, 2013, by and among Regal Entertainment Group, RGCS Merger Sub, Inc., Wallace Theater Holdings, Inc. and WTH Holdings, L.L.C. (filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2013 (Commission File No. 001-31315), and incorporated herein by reference)
12.1		Ratio of Earnings to Fixed Charges

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Exhibit Number	Description
21.1	Subsidiaries of the Registrant
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm
31.1	Rule 13a-14(a) Certification of Chief Executive Officer of Regal
31.2	Rule 13a-14(a) Certification of Chief Financial Officer of Regal
32	Section 1350 Certifications
101	Financial statements from the annual report on Form 10-K of Regal Entertainment Group for the fiscal year ended January 1, 2015, filed on March 2, 2015, formatted in XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Deficit (v) the Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements tagged as detailed text

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* Identifies each management contract or compensatory plan or arrangement.

† Portions of this Exhibit have been omitted pursuant to a request for confidential treatment filed with the Commission. Omitted portions have been filed separately with the Commission.