As filed with the Securities and Exchange Commission on February 6, 2007

Registration No. 333-137976

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

AMENDMENT NO. 6
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

National CineMedia, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**7319**	**20-5665602**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

9110 E. Nichols Ave., Suite 200
Centennial, Colorado 80112-3405
(303) 792-3600
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

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

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

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

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

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

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

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

SUBJECT TO COMPLETION, DATED FEBRUARY 6, 2007

38,000,000 Shares

Common Stock

This is the initial public offering of our common stock. We are selling 38,000,000 shares of our common stock. Prior to this offering, there has been no public market for our common stock. The initial public offering price of our common stock is expected to be between $18.00 and $20.00 per share. Our common stock has been approved for listing on the Nasdaq Global Market under the symbol "NCMI."

We will be a holding company and our sole asset will be approximately 40.5% of the common membership units in National CineMedia, LLC, NCM LLC. Our founding members—AMC Entertainment Inc., Cinemark, Inc. and Regal Entertainment Group—will own the remaining 59.5% of the common membership units in NCM LLC, each of which will be redeemable for, at our option, shares of our common stock on a one-for-one basis or a cash payment equal to the market price of one share of our common stock. Our only business will be acting as the sole manager of NCM LLC and, as such, we will operate and control all of the business and affairs of NCM LLC. We will use the net proceeds of this offering to purchase newly issued common membership units from NCM LLC. NCM LLC will pay all of the proceeds it receives from us to our founding members for their agreeing to modify our payment obligations under our agreements with our founding members. Several of the underwriters have affiliates who own common stock of one or more of our founding members. See "Use of Proceeds" and "Underwriting."

The underwriters have an option to purchase a maximum of 4,000,000 additional shares of common stock to cover over-allotments of shares. If the underwriters exercise their option, we will use the net proceeds from the over-allotments to purchase common membership units of NCM LLC held by our founding members.

Investing in our common stock involves risks. See " Risk Factors" on page 15.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to National CineMedia, Inc. (Before Expenses)
Per Share			
Total			

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

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

Credit Suisse **JPMorgan** **Lehman Brothers** **Morgan Stanley**

AGM Securities
Allen & Company LLC
Banc of America Securities LLC
Bear, Stearns & Co. Inc.
Citigroup
Deutsche Bank Securities
Goldman, Sachs & Co.
Merrill Lynch & Co.
UBS Investment Bank

The date of this prospectus is , 2007.

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

Dealer Prospectus Delivery Obligation

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

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. It is not complete and does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors" and our consolidated financial statements and accompanying notes.

In this prospectus, unless the context otherwise requires:

- *"NCM Inc.," "we," "us" or "our" refer to National CineMedia, Inc., a newly-formed Delaware corporation, and its consolidated subsidiary National CineMedia, LLC, and the businesses that NCM LLC will operate upon completion of this offering;*
- *"NCM LLC" refers to National CineMedia, LLC, a Delaware limited liability company that is the current operating company for our business, which NCM Inc. will acquire an interest in, and become a member and the sole manager of, upon completion of this offering;*
- *"AMC" refers to AMC Entertainment Inc. and its subsidiaries, National Cinema Network, Inc., or "NCN," which contributed assets used in the operations of NCM LLC and formed NCM LLC in March 2005, and American Multi-Cinema, Inc., which will become party to an amended and restated exhibitor services agreement with NCM LLC upon completion of this offering;*
- *"Cinemark" refers to Cinemark Holdings, Inc. and its subsidiaries, Cinemark Media, Inc., which joined NCM LLC in July 2005, and Cinemark USA, Inc., which will become party to an amended and restated exhibitor services agreement with NCM LLC upon completion of this offering; and*
- *"Regal" refers to Regal Entertainment Group and its subsidiaries, Regal CineMedia Corporation, or "RCM," which contributed assets used in the operations of NCM LLC, Regal CineMedia Holdings, LLC, which formed NCM LLC in March 2005, and Regal Cinemas, Inc., which will become party to an amended and restated exhibitor services agreement with NCM LLC upon completion of this offering.*

National CineMedia, Inc.

Company Overview

We operate the largest digital in-theatre network in North America that allows us to distribute advertisements and other content for our advertising, meetings and events businesses utilizing our proprietary digital content network. Upon completion of this offering, we will have long-term exhibitor services agreements with our founding members—AMC, Cinemark and Regal, the three largest motion picture exhibition companies in the U.S.—and multi-year agreements with several other theatre operators whom we refer to as network affiliates. The exhibitor services agreements grant us exclusive rights, subject to limited exceptions, to sell advertising and meeting services and distribute entertainment programming in those theatres. The network affiliate agreements grant us exclusive rights, subject to limited exceptions, to sell advertising on their theatre screens. We currently derive revenue principally from the following activities:

- ***Advertising***: We develop, produce, sell and distribute a branded, pre-feature entertainment and advertising program called "*FirstLook*," along with an advertising program for our lobby entertainment network and various marketing and promotional products in theatre lobbies;
- ***CineMeetings***: We facilitate live and pre-recorded networked and single-site meetings and corporate events in the movie theatres throughout our network; and
- ***Digital Programming Events (now known as NCM Fathom)***: We distribute live and pre-recorded concerts, sporting events and other entertainment programming content to theatres across our digital network.

We believe that the reach, scope and digital delivery capability of our network provide an effective platform for national, regional and local advertisers to reach a young, affluent and engaged audience on a highly targeted and measurable basis. Our network is currently located in 46 states and the District of Columbia and covers all of the top 25, as well as 49 of the top 50, Designated Market Areas®, or DMAs®, and 149 DMAs® in total. DMA® is a registered trademark of *Nielsen Media Research, Inc*. During 2005, approximately 500 million patrons, representing 36% of the total U.S. theatre attendance, attended movies shown in theatres owned by our founding members. As of September 28, 2006, we had a total of 12,973 screens in our network, as set forth in the table below:

Our Network*
(as of September 28, 2006)

	Theatres	Screens	
		Digital	Total
Founding Members	946	10,816	12,039
Network Affiliates	87	261	934
Total	1,033	11,077	12,973

* *Excludes Loews Cineplex Entertainment Inc. and Century Theatres, Inc.*

On January 26, 2006, AMC acquired the Loews theatre circuit. As of September 28, 2006, Loews operated approximately 107 theatres with 1,275 screens. The Loews screens will become part of our network on an exclusive basis beginning on June 1, 2008, subject to the run-out of certain pre-existing contractual obligations for on-screen advertising existing on May 31, 2008. During 2005, approximately 66.5 million movie patrons attended Loews' theatres in the United States.

On October 5, 2006, Cinemark acquired the Century theatre circuit. As of that date, Century operated 77 theatres with 1,017 screens. The Century screens were added to our network on an exclusive basis, subject to limited exceptions, in November 2006. During Century's fiscal year ended September 28, 2006, approximately 49.6 million movie patrons attended Century's theatres in the United States.

Our on-screen digital pre-feature show consists of a national and regional *FirstLook* program, which is preceded by a local advertising presentation. The pre-feature show includes entertainment content segments commingled with advertisements and ends at or about the advertised movie show time when the film trailers begin. Our lobby entertainment network includes television and high-definition plasma screens strategically located throughout the lobbies of most of our digitally equipped theatres. As of September 28, 2006, we had 1,722 lobby screens in 670 theatres deployed across our network. In addition to the lobby entertainment network, we provide a wide variety of advertising and promotional products in our theatre lobbies such as posters, standees, product displays or sampling opportunities, and box office coupons or flyer handouts. These products can be sold individually or bundled with on-screen or lobby entertainment network advertisements. For the nine-month period ended September 28, 2006, advertising accounted for 93.3% of our total pro forma revenue.

Our entertainment content segments are provided under multi-year contractual arrangements with leading media companies that we refer to as content partners. Our content partners currently include Discovery Communications, NBC Universal, Sony Pictures Entertainment, Turner Broadcasting System and Universal City Studios. Under the terms of these contracts, our content partners make available to us original content segments and make long-term commitments to buy a portion of our available advertising inventory. These multi-year contracts represented 19.9% of our pro forma total revenue for the nine months ended September 28, 2006.

Our CineMeetings business facilitates live and pre-recorded networked and single-site meetings and corporate events in movie theatres. Event content can be broadcast over our digital network live or prior to the event for multi-site or single-site meetings. By bundling meetings or events with the screening of a feature film, sometimes before the film opens to the general public, our "Meeting and a Movie" product represents a significant point of differentiation between us and other meeting venues such as hotels. For the nine months ended September 28, 2006, CineMeetings accounted for 5.1% of our total pro forma revenue.

Our digital programming events business focuses on the licensing and distribution of live and pre-recorded entertainment programming content and the sale of associated sponsorships. Our digital programming events include live and pre-recorded concerts and music events, DVD product releases, marketing events, theatrical premieres, Broadway plays, live sporting events and other special events. For the nine-month period ended September 28, 2006, digital programming events accounted for 1.6% of our total pro forma revenue. In January 2007, we branded our digital programming events business NCM Fathom.

During the three and nine months ended September 28, 2006, we generated pro forma revenue, operating income and adjusted EBITDA of $73.9 million, $38.9 million and $41.8 million; and $188.1 million, $84.9 million and $93.4 million, respectively. See the notes to "Selected Historical Financial and Operating Data" for a discussion of the calculation of adjusted EBITDA. For additional financial information about our business, including factors which affect comparability of our financial results across periods, see "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Financial Information" and NCM LLC's historical financial statements and related notes included elsewhere in this prospectus. Our historical operating and pro forma results for these periods do not include payments that will be made by AMC to us pursuant to the Loews screen integration agreement as such payments will be recorded directly to our equity account for accounting purposes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Company Following the Completion of this Offering—Loews Payments."

Our business is dependent on our success in implementing and producing revenue from the business activities governed by our exhibitor services agreements and our agreements with our network affiliates, and the operating success of the founding members and our network affiliates. If one of the exhibitor services agreements were terminated, we would not be able to provide our services in theatres covered by that agreement and our revenue would likely decline. In addition, the exhibitor services agreements and other agreements were negotiated with the founding members and may contain terms that are different than comparable agreements negotiated with unaffiliated third parties. Also, our revenue may be affected by box office attendance, which declined in each of 2003, 2004 and 2005, although it increased in the first nine months of 2006 over the first nine months of 2005.

Industry Overview

According to *Kagan Research*, advertising spending in the United States has grown at a compound annual growth rate, or CAGR, of 4.8% since 1996, to $240 billion in 2005. From 2001 to 2005, Internet and cinema advertising grew at a CAGR of 13.2% and 26.0%, respectively, while more traditional media platforms such as broadcast television, radio, magazines and newspapers grew slower than the overall advertising market. Today, cinema advertising accounts for a small but growing portion of the U.S. advertising market. According to *Kagan Research*, cinema advertising revenue grew to $514 million in 2005, a 17.4% increase over 2004.

Historically, cinema advertising in the U.S. has been a low-quality medium consisting of slide advertisements delivered by 35 mm projectors and repurposed national television advertisements played on 35 mm film. The 35 mm medium was expensive, required long distribution lead times to make 35 mm film prints, and provided advertisers very little flexibility to target specific audiences or geographic regions, or to change advertising messages once a campaign was launched. Due to the lack of scale amongst cinema

advertising businesses, advertisers were unable to purchase national coverage from any one operator, with consistent delivery and pricing metrics. Further, cinema advertising was not measured by a nationally recognized media measurement service, and therefore was not considered by many national advertisers.

Over the past few years, cinema advertising in the U.S. has undergone significant changes as companies providing nationwide coverage have emerged. Some companies have deployed digital networks and fostered the development of higher quality pre-feature shows that commingle advertising and entertainment programming. The growth of cinema advertising has been further supported by the establishment of third-party market research on the medium from firms such as *Nielsen Media Research* and *Arbitron*. With recall rates that are five to six times better than those of television advertising, according to industry studies, and the targeted nature of this medium, advertisers can achieve their desired marketing results by more effectively reaching their chosen consumer segments while still achieving broad national reach. For these reasons, we believe that cinema advertising results in a better value proposition than traditional mass media platforms.

Our Competitive Strengths

We believe that our key competitive strengths include:

Superior, Targeted National Advertising Network. We believe our ability to deliver marketing messages in theatre auditoriums to young, affluent and engaged audiences using our digital content network provides measurable results, yielding a superior return on investment for advertisers as compared to many traditional media platforms. Our digital network technology gives us flexibility in distributing content to our entire audience, specific theatres, geographic regions, or demographic groups based on film or film rating category.

Innovative, Branded Digital Pre-Feature Content. We believe that our digital entertainment and advertising pre-feature program, *FirstLook*, provides a high-quality entertainment experience for patrons and an effective marketing platform for advertisers.

Integrated Marketing Products. By bundling on-screen advertising with our in-lobby marketing programs, we believe our advertisers can extend the exposure for their brands and products and create an interactive “relationship” with the consumer that is not available with broadcast television or traditional display advertising.

Scalable, State-of-the-Art Content Distribution Technology. Our technology provides the ability to electronically change advertisements from our network operations center as needed by advertising clients, which shortens lead times, provides increased flexibility to change messages or target specific audiences, and significantly reduces distribution costs.

Strong Operating Margins with Limited Capital Requirements. A significant portion of our advertising inventory is covered by multi-year contracts. Due to the agreements with our founding members and the scalable nature of our business model, we do not expect to make major capital investments to grow our operations as our network of theatres expands. The combination of the presale of a significant portion of our advertising inventory, our strong operating margins and our limited capital expenditures has allowed us to generate significant net income before distributions to our founding members.

Experienced Management Team. Our management team has significant experience in advertising sales and marketing, theatre operations, digital network design and operations, and finance. The majority of our senior management team was assembled during the formation of RCM, our predecessor company, in early 2002.

Our Strategy

Our primary strategic initiatives are to:

- enhance inventory utilization by increasing existing client expenditures and creating new client relationships;
- increase our national CPM by providing a superior return on investment to our clients and carefully managing available inventory;
- expand our geographic coverage and reach through the growth in the number of our founding members' digital theatres and the establishment of network affiliate relationships with additional theatre operators;
- provide integrated marketing solutions that create more effective marketing campaigns for our clients;
- increase market awareness of our CineMeetings business to expand our client base and increase our revenue;
- expand our live and pre-recorded digital programming revenue by securing additional high-quality entertainment content;
- upgrade our advertising sales and inventory management systems to allow us to more effectively manage our advertising inventory; and
- develop new marketing and distribution businesses that leverage our sales and marketing and technology infrastructures.

Corporate Structure and Reorganization

In connection with the completion of this offering, we will amend and restate NCM LLC's existing agreements with the founding members, including the exhibitor services agreements and the NCM LLC operating agreement, as described under "Certain Relationships and Related Party Transactions—Transactions with Founding Members." We will also enter into an amended and restated Loews screen integration agreement with AMC. We will acquire common membership units of NCM LLC using the net proceeds of the offering. NCM LLC will redeem all of its outstanding preferred membership units issued pursuant to a non-cash recapitalization using the proceeds of a term loan entered into in connection with the completion of this offering. Options to acquire our common stock will be substituted for options to acquire common membership units in NCM LLC, and restricted common stock will be issued in substitution for restricted units that will be granted to NCM LLC option holders as "IPO awards." We refer to these and other transactions described in more detail under "Corporate History and Reorganization" collectively as the reorganization.

We will sell our common stock to the public in this offering. After completion of this offering, we will be a holding company that manages NCM LLC but has no business operations or material assets other than a minority ownership interest of approximately 40.5% of the common membership units in NCM LLC.[1] Our founding members will hold the remaining 59.5% of NCM LLC's common membership units.[1] Our only source of cash flow from operations will be distributions from NCM LLC pursuant to the NCM LLC operating agreement and management fees pursuant to a management services agreement between us and NCM LLC.

[1] Excludes unvested restricted stock and shares underlying unvested stock options that will be granted by NCM Inc., which will result in an increase in the number of common membership units held by NCM Inc. upon vesting or exercise, respectively. A 10% increase in the number of shares of common stock sold would result in an increase of 2.3% in the percentage of NCM LLC membership units held by NCM Inc. and a corresponding reduction in the percentage held by the founding members.

As a result of the reorganization and the completion of this offering, our founding members will:

- receive an aggregate of $686.3 million for their agreeing to modify our payment obligations under the existing exhibitor services agreements;
- receive an aggregate of $698.5 million as the redemption price for their preferred membership units in NCM LLC;
- be entitled to mandatory quarterly cash distributions from NCM LLC on a pro rata basis with other NCM LLC members;
- be entitled to receive monthly theatre access fees from NCM LLC, comprised of a payment per theatre attendee and a payment per digital screen;
- receive a long term commitment from NCM LLC for access to advertising inventory to satisfy their beverage concessionaire agreements, pursuant to the terms of the exhibitor services agreements;
- have the right to designate a total of six nominees (three of whom must qualify as independent under Nasdaq rules) to our ten-member board of directors to be voted on by our stockholders, with special approval rights over specified NCM LLC matters if these designees are not nominated or elected to our board;
- be able to influence certain corporate decisions of NCM Inc. outside of the day-to-day operations and administration of NCM Inc. due to 90% board approval requirements for specified actions;
- be permitted to promote specified theatre operations and cross-marketing relationships in their theatres pursuant to the terms of the exhibitor services agreements;
- be entitled to receive periodic cash payments representing 90% of the amount of cash savings, if any, in U.S. federal, state and local income or franchise taxes that we realize as a result of the offering and related transactions;
- have the ability to choose to have their NCM LLC common membership units redeemed at any time, although we will decide whether the redemption price will be paid in cash or shares of our common stock;
- have registration rights with respect to any shares of our common stock that they receive upon redemption of their NCM LLC common membership units;
- receive an aggregate of $71.8 million (based on the midpoint of the filing range) on a pro rata basis for their common membership units in NCM LLC if the underwriters fully exercise their option to purchase up to an additional 4,000,000 shares of our common stock to cover over-allotments; and
- on or about 30 days after the completion of this offering, receive all amounts due under their existing exhibitor services agreements (which were $43.8 million as of September 28, 2006), which we expect will be substantially offset by receivables from its customers.

Financing Transaction

In connection with the completion of this offering, NCM LLC will enter into a new $805.0 million senior secured credit facility with a group of lenders that will include affiliates of several of the underwriters. This facility will consist of a six-year, $80.0 million revolving credit facility and an eight-year, $725.0 million term loan facility.

Digital Cinema

On June 28, 2006, we announced the hiring of Travis Reid, former president and chief executive officer of Loews, as a consultant to lead our effort to create a financing model and establish agreements with major motion picture studios for the implementation of digital cinema (distribution of feature films in a digital format rather than a 35 mm format). We also engaged J.P. Morgan Securities Inc. to assist with structuring the financing. We expect that our consulting agreement with Mr. Reid and engagement letter with J.P. Morgan Securities will be assigned to a new entity to be formed and owned by our founding members. Neither NCM Inc. nor any of our subsidiaries will have an ownership interest in this new entity. Future digital cinema developments will be managed by this new entity and are thus subject to the approval of our founding members. We are discussing with our founding members what role, if any, we will have in providing services to this new entity, either on a transitional or an ongoing basis. The terms of any such services will be subject to the approval of our audit committee, or another committee comprised entirely of independent members of our board. Our provision of services to this venture, if any, could provide us with several benefits, including additional revenue from the digital cinema services agreement and possibly provide us with the ability to integrate the operational and technological needs of our advertising and digital programming events businesses into the digital cinema systems that may be deployed into theatres, if we and the founding members choose that strategy.

The Offering

Common stock offered by us	38,000,000 shares
Common stock to be outstanding immediately after this offering	38,000,000 shares[1]
Over-allotment option	We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to 4,000,000 additional shares at the initial public offering price less underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common stock. If the underwriters exercise their option in full, we will use the net proceeds from the over-allotments to purchase 4,000,000 common membership units in NCM LLC held by our founding members on a pro rata basis at a price per unit equal to the public offering price per share, less underwriting discounts and commissions and offering expenses.
Common membership units in NCM LLC to be outstanding immediately after this offering	93,850,951 common membership units[1]
Common stock voting rights	Each share of our common stock will entitle its holder to one vote per share.
Redemption rights	Each common membership unit in NCM LLC not owned by us may be redeemed in exchange for, at our option, shares of our common stock on a one-for-one basis or a cash payment equal to the market price of one share of our common stock. If, immediately following this offering, our founding members had all of their membership units in NCM LLC redeemed in exchange for shares of our common stock, they would own an aggregate of approximately 59.5% of all outstanding shares of our common stock (or 55.2% if the underwriters exercised their over-allotment option in full).[2]
Dividend policy	Pursuant to the NCM LLC operating agreement, NCM LLC will be required to distribute to common members, on a quarterly basis, all cash that is not required to meet business needs or restricted under the terms of any outstanding indebtedness. We intend to distribute as dividends to our common stockholders a substantial portion of the distributions we receive from NCM LLC. See “Dividend Policy.”

1 Excludes 358,977 shares of unvested restricted stock and 1,790,960 shares underlying unvested stock options that will be granted by NCM Inc., which will result in an increase in the number of common membership units held by NCM Inc. upon vesting or exercise, respectively.

2 A 10% increase in the number of shares of common stock sold would result in an increase of 2.3% in the percentage of NCM LLC membership units held by NCM Inc. and a corresponding reduction in the percentage held by the founding members.

Use of proceeds	We estimate that we will receive net proceeds of approximately $674.3 million assuming an estimated public offering price of $19.00 per share (the midpoint of the range set forth on the cover page of this prospectus), after deducting estimated underwriting discounts and commissions and estimated offering expenses of $8.0 million. We will use all of the net proceeds to purchase newly issued common membership units in NCM LLC at a price per unit equal to the public offering price per share, less underwriting discounts and commissions and offering expenses. We will purchase a number of common membership units equal to the number of shares of common stock sold in this offering. NCM LLC will pay all of the proceeds it receives from us to our founding members as a portion of the payment owed to them for their agreeing to modify our payment obligations under our exhibitor services agreements. NCM LLC will also pay $12 million to the founding members from its term loan borrowings for this purpose. Several of the underwriters have affiliates who own common stock of one or more of our founding members. See “Use of Proceeds,” “Underwriting” and “Risk Factors—Risks Related to the Offering.”
Risk factors	The “Risk Factors” section included in this prospectus contains a discussion of factors that you should carefully read and consider before deciding to invest in shares of our common stock.
Proposed Nasdaq Global Market trading symbol	NCMI

Unless otherwise stated herein, the information in this prospectus assumes that:

- a 44,291-to-1 split of membership units of NCM LLC has occurred;
- the reorganization was completed in connection with the completion of this offering;
- the underwriters have not exercised their option to purchase up to 4,000,000 additional shares of common stock to cover over-allotments of shares. If the underwriters exercise their option in full, immediately following this offering, 42,000,000 shares of common stock will be outstanding;
- the initial offering price is $19.00 per share, the midpoint of the range set forth on the cover page of this prospectus; and
- our amended and restated certificate of incorporation and amended and restated bylaws were adopted in connection with the completion of this offering, pursuant to which our board of directors will be divided into three classes, and other provisions described under “Description of Capital Stock” will become operative.

No shares of common stock are outstanding before completion of this offering. The number of shares of common stock to be outstanding after completion of this offering is based on 38,000,000 shares of our common stock to be sold in this offering and, except where we state otherwise, the common stock information we present in this prospectus excludes:

- 55,850,951 shares of common stock issuable upon redemption of NCM LLC common membership units;

- 1,790,960 shares of common stock issuable upon the exercise of outstanding employee options (after substitution of options to acquire our common stock for NCM LLC options and grant of additional options upon completion of this offering) at a weighted average exercise price of $17.38 per share;
- 358,977 shares of restricted stock (after substitution of restricted stock for NCM LLC restricted units and grant of additional restricted stock upon completion of this offering); and
- 500,000 shares of common stock we will reserve for future issuance under our equity incentive plan.

Corporate Information

We are a Delaware corporation organized on October 5, 2006, and our principal executive offices are located at 9110 E. Nichols Ave., Suite 200, Centennial, Colorado 80112-3405. The telephone number of our principal executive offices is (303) 792-3600. We maintain a website at *www.ncm.com*, on which we will post our key corporate governance documents, including our board committee charters and our code of ethics. We do not incorporate the information on our website into this prospectus and you should not consider any information on, or that can be accessed through, our website as part of this prospectus.

Summary Historical And Pro Forma Financial And Operating Data

NCM LLC was formed on March 29, 2005, by AMC and Regal as a joint venture that combined the cinema advertising and meetings and events operations of Regal's subsidiary, RCM, and the cinema advertising operations of AMC's subsidiary, NCN. On July 15, 2005, Cinemark, through a wholly-owned subsidiary, joined NCM LLC as a founding member. Because Cinemark had a pre-existing contract with another cinema advertising provider, NCM LLC began selling advertising for Cinemark's screens on an exclusive basis beginning on January 1, 2006, subject to the run-out of certain pre-existing contractual obligations for on-screen advertising through April 1, 2006. As a result, revenue from the sale of advertising for Cinemark's screens are only reflected in NCM LLC's unaudited historical statements of operations subsequent to those dates.

The summary historical financial and operating data for the three and nine months ended September 28, 2006, and the summary balance sheet data as of September 28, 2006, were derived from the financial statements of NCM LLC included elsewhere in this prospectus, except for the capital expenditures data of NCM LLC for the three months ended September 28, 2006, which is derived from unaudited financial statements of NCM LLC that are not included in this prospectus. The summary historical financial and operating data for the nine months ended December 29, 2005 were derived from the audited financial statements of NCM LLC included elsewhere in this prospectus.

The summary (i) unaudited pro forma consolidated statements of operations for the year ended December 29, 2005, and the three and nine months ended September 28, 2006, and (ii) unaudited pro forma condensed consolidated balance sheet at September 28, 2006, present the results of operations and financial position of NCM Inc. assuming the transactions discussed below had been completed and the contractual arrangements discussed below had been entered into as of December 31, 2004, with respect to the pro forma statements of operations and as of September 28, 2006, with respect to the pro forma balance sheet. The pro forma adjustments are based on available information and upon assumptions that management believes are reasonable in order to reflect, on a pro forma basis, the impact on the historical financial information of NCM Inc. of the historical and the transaction adjustments as described in "Unaudited Pro Forma Financial Information."

You should read this unaudited pro forma condensed consolidated financial information together with the other information contained in this prospectus, including "Corporate History and Reorganization," "Financing Transaction," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Financial Information," our audited historical financial statements and the notes thereto included elsewhere in this prospectus, and our unaudited historical interim consolidated financial statements and the notes thereto included elsewhere in this prospectus.

The unaudited pro forma condensed consolidated financial information is included for informational purposes only and does not purport to reflect the results of operations or financial position of NCM Inc. and NCM LLC that would have occurred had they operated as separate, independent companies during the periods presented. The historical results of operations of NCM LLC, RCM and NCN have been significantly impacted by related party transactions, as discussed more fully in the historical financial statements included elsewhere in this prospectus, and the future operating results of NCM Inc. will also be impacted by related party transactions. Historical and pro forma results of operations and financial condition are not necessarily indicative of what would have occurred had all transactions occurred with unrelated parties. Also, the pro forma condensed consolidated financial information should not be relied upon as being indicative of NCM Inc. or NCM LLC's results of operations or financial condition had the historical adjustments and the transaction adjustments been completed on December 31, 2004, with respect to the pro forma statements of operations and as of September 28, 2006, with respect to the pro forma balance sheet. The pro forma condensed consolidated financial information also does not project our results of operations or financial position for any future period or date.

	Nine Months Ended December 29, 2005 Historical	Year Ended December 29, 2005 Pro Forma	Nine Months Ended September 28, 2006 Historical	Nine Months Ended September 28, 2006 Pro Forma	Three Months Ended September 28, 2006 Historical	Three Months Ended September 28, 2006 Pro Forma
	($ in millions, except net income per share and total advertising contract value revenue per founding member attendee)					
Result of Operations Data						
Advertising Revenue	$ 56.0	$ 207.4	$ 128.2	$ 175.4	$ 54.9	$ 68.9
Administrative Fees—Members	30.8	—	4.3	—	0.8	—
Total Revenue	98.8	221.6	145.2	188.1	60.7	73.9
Operating Income (Loss)	(6.9)	95.7	(10.9)	84.9	(0.4)	38.9
Net Income (Loss)	(6.9)	7.5	(11.2)	8.9	(0.6)	5.5
Net Income (Loss) Per Basic Share	$ (0.19)	$ 0.20	$ (0.29)	$ 0.23	$ (0.02)	$ 0.15
Other Financial Data						
EBITDA(1)	$ (3.9)	$ 100.0	$ (7.5)	$ 88.3	$ 0.7	$ 40.0
Adjusted EBITDA(1)	4.6	108.8	(3.0)	93.4	2.2	41.8
Adjusted EBITDA Margin(1)	4.7%	49.1%	NM	49.7%	3.6%	56.5%
Capital Expenditures	$ 5.9	$ 7.3	$ 4.3	$ 4.3	$ 1.9	$ 1.9
Operating Data						
Founding Member Screens at Period End(2)	9,696	9,696	12,039	12,039	12,039	12,039
Total Screens at Period End(3)	10,766	10,766	12,973	12,973	12,973	12,973
Digital Screens at Period End(4)	8,713	8,713	11,077	11,077	11,077	11,077
Founding Member Attendance for Period(5) (in millions)	299.3	395.2	384.4	384.4	131.8	131.8
Total Advertising Contract Value(6)	$ 144.0	$ 203.7	$ 141.6	$ 171.5	$ 57.4	$ 67.6
Total Advertising Contract Value per Founding Member Attendee(6)	$ 0.48	$ 0.52	$ 0.37	$ 0.45	$ 0.44	$ 0.51

	September 28, 2006	
	NCM LLC Historical	NCM Inc. Pro Forma As Adjusted
Balance Sheet Data		
Receivables, net	$ 51.9	$ 51.9
Property and equipment	11.6	11.6
Total Assets	72.2	308.1
Indebtedness	10.0	735.0
Members'/Stockholder's Equity (Deficit)	2.1	(574.6)

Notes to the Summary Historical and Pro Forma Financial and Operating Data

1. EBITDA, adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures used by management to measure operating performance. EBITDA represents net income (loss) before net interest expense, income tax benefit (provision), and depreciation and amortization expense. Adjusted EBITDA excludes from EBITDA severance plan costs, non-cash unit based costs and deferred stock compensation. Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by total revenue. EBITDA and adjusted EBITDA do not reflect the Loews payments discussed in the following paragraph, which after this offering will be included in the calculation of adjusted EBITDA to determine our compliance with financial covenants under our new senior secured credit facility. See "Financing Transaction."

On January 26, 2006, AMC completed the acquisition of Loews. Loews has a pre-existing contract with another cinema advertising provider through May 31, 2008. Therefore, the Loews screens will become part of our national theatre network on an exclusive basis beginning on May 31, 2008, subject to the run-out of certain pre-existing contractual obligations for on-screen advertising existing on June 1, 2008. In accordance with a Loews screen integration agreement between us and AMC, AMC will pay us an amount that approximates the EBITDA we would have generated if we were able to sell advertising in the Loews theatre chain on an exclusive basis. Effective as of January 5, 2007, NCM LLC re-allocated the common membership units in NCM LLC among the founding members to reflect the payments to be made by AMC pursuant to the terms of the Loews screen integration agreement. The number of common membership units allocated to AMC was calculated by multiplying the total number of NCM LLC common membership units outstanding by a ratio of theatre screens and patrons at Loews theatres compared to the total number of theatre screens and patrons at all founding members' theatres. These Loews payments will be made on a quarterly basis in arrears until May 31, 2008, and for accounting purposes will be recorded in members' equity and will not be reflected in NCM LLC's statements of operations. For the three months ended September 28, 2006, the Loews payments would have been $2.5 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Company Following the Completion of this Offering—Loews Payments" for additional discussion regarding the Loews payments.

We have included EBITDA, adjusted EBITDA and adjusted EBITDA margin in this prospectus to provide investors with supplemental measures of our operating performance and information about the calculation of some of the financial covenants that will be contained in our new senior secured credit facility. We believe EBITDA, adjusted EBITDA and adjusted EBITDA margin are important supplemental measures of operating performance because they eliminate items that have less bearing on our operating performance and so highlight trends in our core business that may not otherwise be apparent when relying solely on generally accepted accounting principles, or GAAP, financial measures. We also believe that securities analysts, investors and other interested parties frequently use EBITDA, adjusted EBITDA and adjusted EBITDA margin in the evaluation of issuers, many of which present EBITDA, adjusted EBITDA and adjusted EBITDA margin when reporting their results. Also, because of the significant changes in our operating results that will result from our acquisition of an interest in NCM LLC, the changes in the exhibitor services agreements and the financing transaction, we disclose pro forma EBITDA, adjusted EBITDA and adjusted EBITDA margin in this prospectus.

Adjusted EBITDA including the Loews payments is a material component of the covenants that will be imposed on us by the new senior secured credit facility. Under the new senior secured credit facility, we will be subject to financial covenant ratios that will be calculated by reference to adjusted EBITDA including the Loews payments. Non-compliance with the financial covenants contained in the senior secured credit facility could result in a default, an acceleration in the repayment of amounts outstanding and a termination of the lending commitments under the senior secured credit facility. For a description of required financial covenant levels and actual ratio calculations based on adjusted EBITDA including the Loews payments, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Company Following the Completion of this Offering—Loews Payments."

EBITDA, adjusted EBITDA and adjusted EBITDA margin are not presentations made in accordance with GAAP. As discussed above, we believe that the presentation of EBITDA, adjusted EBITDA and adjusted EBITDA margin in this prospectus is appropriate. However, when evaluating our results, you should not consider EBITDA, adjusted EBITDA and adjusted EBITDA margin in isolation of, or as a substitute for, measures of our financial performance as determined in accordance with GAAP, such as net income (loss). EBITDA, adjusted EBITDA and adjusted EBITDA margin have material limitations as performance measures because they exclude items that are necessary elements of our costs and operations. Because other companies may calculate EBITDA, adjusted EBITDA and adjusted EBITDA margin differently than we do, EBITDA, adjusted EBITDA and adjusted EBITDA margin may not be comparable to similarly-titled measures reported by other companies.

The following table reconciles net income (loss) to EBITDA, adjusted EBITDA and adjusted EBITDA margin on a historical and pro forma basis for the periods presented:

	Nine Months Ended December 29, 2005 Historical	Year Ended December 29, 2005 Pro Forma	Nine Months Ended September 28, 2006		Three Months Ended September 28, 2006	
			Historical	Pro Forma	Historical	Pro Forma
			($ in millions)			
Net Income (Loss)	$ (6.9)	$ 7.5	$ (11.2)	$ 8.9	$ (0.6)	$ 5.5
Income Taxes	—	12.5	—	14.5	—	9.1
Minority Interest	—	11.2	—	13.1	—	8.2
Interest Expense	—	64.5	0.3	48.4	0.2	16.1
Depreciation and Amortization	3.0	4.3	3.4	3.4	1.1	1.1
EBITDA	$ (3.9)	$ 100.0	$ (7.5)	$ 88.3	$ 0.7	$ 40.0
Severance Plan Costs	8.5	8.5	3.4	3.4	0.7	0.7
Share-based Payment Costs	—	—	1.1	1.7	0.8	1.1
Deferred Stock Compensation	—	0.3	—	—	—	—
Adjusted EBITDA	$ 4.6	$ 108.8	$ (3.0)	$ 93.4	$ 2.2	$ 41.8
Adjusted EBITDA Margin*	4.7%	49.1%	NM	49.7%	3.6%	56.5%

* *Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by total revenue.*

2. Represents the total number of screens within our advertising network operated by our founding members. Excludes Cinemark operated screens for the period ended December 29, 2005. Excludes Loews and Century screens for all periods presented.

3. Represents the sum of founding member screens and network affiliate screens.

4. Represents the total number of screens which are connected to our digital content network.

5. Represents the total attendance within our advertising network in theatres operated by our founding members. Excludes Cinemark attendance for the period ended December 29, 2005. Excludes Loews and Century screens for all periods presented. The Loews and Century total attendance for the three and nine months ended September 28, 2006 were approximately 16.2 million and 12.5 million, and 48.5 million and 36.9 million, respectively.

6. Includes advertising revenue plus legacy contract value for all historical periods. Excludes $3.7 million of revenue related to the beverage concessionaire agreements for Cinemark in the pro forma period ended December 29, 2005, and $1.3 million and $3.9 million of revenue related to the beverage concessionaire agreements for Loews in the pro forma three and nine months ended September 28, 2006, as attendees for Cinemark and Loews were not included during these periods.

RISK FACTORS

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

Risks Related to Our Business and Industry

Changes in the exhibitor services agreements with, or lack of support by, our founding members could damage our revenue, growth and profitability

The exhibitor services agreements with our founding members will be critical to our business. The three exhibitor services agreements, which will be in effect following the completion of this offering, each have a term of 30 years and provide us with a five-year right of first refusal, which begins one year prior to the end of the term of the exhibitor services agreement. The term of the exhibitor services agreements as they relate to CineMeetings and digital programming will be approximately five years with provisions for automatic renewal if certain financial performance conditions are met. Our founding members' theatres represent approximately 93% of the screens in our network as of September 28, 2006. If any one of the exhibitor services agreements were terminated, not renewed at its expiration or found to be unenforceable, it would have a material adverse effect on our revenue, profitability and financial condition.

The exhibitor services agreements require the cooperation, investment and support of the founding members, the absence of which could adversely affect us. Pursuant to the exhibitor services agreements, our founding members must make investments to replace digital network equipment within their theatres and equip newly constructed theatres with digital network equipment. If the founding members do not have adequate financial resources or operational strength, and if they do not replace equipment or equip new theatres to maintain the level of operating functionality that we have today, or if such equipment becomes obsolete, we may have to make additional capital expenditures or our advertising, CineMeetings and digital programming events revenue and operating margins may decline. If the founding members reject advertising or choose not to participate in certain CineMeetings or digital programming events under the terms of the exhibitor services agreements because they believe it would adversely affect their film attendance levels or the reputation of their company, our revenue from these businesses would be reduced.

The exhibitor services agreements allow the founding members to engage in activities that might compete with certain elements of our business, which could reduce our revenue and growth potential

The exhibitor services agreements contain certain limited exceptions to our exclusive right to use the founding members' theatres for our advertising business. The founding members will have the right to enter into strategic cross-marketing relationships with third-party, unaffiliated businesses for the purpose of generating increased attendance or revenue (other than revenue from the sale of advertising) and, subject to certain limits, can use one minute on the lobby entertainment network and certain types of lobby promotions, at no cost, for the purpose of promoting the products or services of those businesses while at the same time promoting the theatre circuit or the movie-going experience. Subject to certain limits, they can also purchase an additional minute of advertising on the lobby entertainment network for these cross-marketing promotions. The use of lobby entertainment network or lobby promotions by our founding members for these advertisements and programs could result in the founding members creating relationships with advertisers that could adversely affect our current lobby entertainment network and lobby promotions advertising revenue and profitability as well as the potential we have to grow that advertising revenue in the future. The lobby entertainment network and lobby promotions represented 2.2% and 7.2% and 2.8% and 6.1%, respectively, of our total pro forma advertising revenue for the three and nine months ended September 28, 2006. The founding members will not have the right to use their movie screens (including the *FirstLook* program or otherwise) for promoting these cross-marketing

relationships, and thus we will have the exclusive rights to advertise on the movie screens, except for limited advertising related to theatre operations, and to package such on-screen advertising with the lobby entertainment network advertising and lobby promotions.

The founding members also will have the right to install a second network of video monitors in the theatre lobbies in excess of those required to be installed by the founding members for the lobby entertainment network. This additional lobby video network, which we refer to as the founders' lobby network, is to be used by the founding members to promote products or services related to operating the theatres, such as concessions and loyalty programs. The presence of the founders' lobby network within the lobby areas could reduce the effectiveness of our lobby entertainment network, thereby reducing our current lobby entertainment network advertising revenue and profitability and adversely affecting future revenue potential associated with that marketing platform.

If the non-competition provisions of the exhibitor services agreements are deemed unenforceable, our founding members could compete against us and our business could be adversely affected

With certain limited exceptions, each of the exhibitor services agreements prohibits the applicable founding member from engaging in any of the business activities that we provide in the founding member's theatres under the exhibitor services agreement, and from owning interests in other entities that compete with us. These provisions are intended to prevent the founding members from harming our business by providing cinema advertising services directly to their theatres or by entering into agreements with third-party cinema advertising providers. However, under state and federal law, a court may determine that a non-competition covenant is unenforceable, in whole or in part, for reasons including, but not limited to, the court's determination that the covenant:

- is not necessary to protect a legitimate business interest of the party seeking enforcement;
- unreasonably restrains the party against whom enforcement is sought; or
- is contrary to the public interest.

Enforceability of a non-competition covenant is determined by a court based on all of the facts and circumstances of the specific case at the time enforcement is sought. For this reason, it is not possible for us to predict whether, or to what extent, a court would enforce the non-competition provisions contained in the exhibitor services agreements. If a court were to determine that the non-competition provisions are unenforceable, the founding members could compete directly against us or enter into an agreement with another cinema advertising provider that competes against us. Any inability to enforce the non-competition provisions, in whole or in part, could cause our revenue to decline.

If one of our founding members declares bankruptcy, our exhibitor services agreement with that founding member may be rejected, renegotiated or deemed unenforceable or our network could be adversely affected by the disposition of theatres

Each of our founding members currently has a significant amount of indebtedness which is below investment grade. Since 1999, several major motion picture exhibition companies have filed for bankruptcy. For example, each of United Artists, Edwards Theatres, Regal Cinemas, General Cinemas and Loews Cineplex filed for bankruptcy during 2000 or 2001. The industry-wide construction of larger, more expensive megaplexes featuring stadium seating in the late 1990s that rendered existing, smaller, sloped-floor theatres under long-term leases obsolete and unprofitable, were significant contributing factors to these bankruptcies. If a bankruptcy case were commenced by or against a founding member, it is possible that all or part of our exhibitor services agreement with that founding member could be rejected by a trustee in the bankruptcy case pursuant to Section 365 or Section 1123 of the United States Bankruptcy Code, or by the founding member, and thus not be enforceable. Alternatively, the founding member could seek to renegotiate the exhibitor services agreement in a manner less favorable to us than the existing agreement. In addition, the founding member could seek to sell or

otherwise dispose of theatres, which might result in the removal of those theatres from our network. Because we sell advertising based on the number of theatre patrons that will view the advertisement, a reduction in the number of theatres in our network could reduce our advertising revenue.

The markets for advertising, meeting management and digital programming content are competitive and we may be unable to compete successfully

The market for advertising is intensely competitive. Cinema advertising is a small component of the overall U.S. advertising market and thus we must compete with established, larger and better known national and local media platforms and newly emerging media platforms such as the Internet. We compete for advertising directly with all media platforms, including radio and television broadcasting, cable and satellite television services, various local print media, billboards and Internet portals and search engines.

We also compete directly with other cinema advertising companies. We expect these competitors to devote significant financial and operating resources to maintaining and growing their respective positions in the cinema advertising segment. We also expect existing competitors and new entrants to the cinema advertising business to constantly revise and improve their business models in light of challenges from us or competing media platforms. If we cannot respond effectively to advances by our competitors, our business may be adversely affected.

Our CineMeetings business facilitates live and pre-recorded events in theatre auditoriums. These events are typically scheduled from Monday through Thursday during off-peak hours while theatre attendance for movies is traditionally low. This business competes for customers with a number of venues including hotels, conference facilities, restaurants, arenas and other convention properties, as well as virtual meetings hosted on-line or over private teleconferencing networks. Accordingly, our ability to increase sales in our CineMeetings business is contingent on our ability to attract new customers and compete effectively against other well-established venues.

Our digital programming events business focuses on the licensing and distribution of entertainment programming products and the sale of sponsorships associated with that programming. It includes live and pre-recorded concerts and music events, concert and DVD product releases, theatrical premieres, Broadway plays, as well as live sports and other special events. This business competes for music, sports and other entertainment programming, as well as the associated sponsorships, with other national networks, some of which offer greater geographic reach and larger audiences. Accordingly, our ability to source a consistent flow of programming is contingent on our ability to develop and sustain relationships with content owners. Sponsorships for our digital programming events may be limited by our ability to license a consistent and significant source of content that sponsors want to be associated with.

Because we rely heavily on our founding members' ability to attract customers, any reduction in attendance at founding member theatres could decrease our revenue

Our business is affected by the success of our founding members, who operate in a highly competitive industry. From the late 1990s through 2002, the number of movie screens and the level of theatre attendance in the United States increased substantially, as movie theatres began to offer new amenities such as stadium seating, improved projection quality and superior sound systems. While box office attendance has increased in 2006 through September 30 as compared to the same period in 2005, it declined in each of 2003, 2004 and 2005. If theatre attendance declines in the future, one or more of our founding members may face financial difficulties and could be forced to sell or close theatres or reduce the number of screens it builds or upgrades. Attendance may also decline if the founding members fail to maintain their theatres and provide amenities that consumers prefer, or if they cannot compete successfully on pricing. Our founding members also may not successfully compete for licenses to exhibit quality films and are not assured a consistent supply of motion pictures since they do not have long-term arrangements with major film distributors. Any of these circumstances could reduce our revenue because our revenue depends on the number of theatre patrons who view our advertising and pre-feature show.

Significant declines in theatre attendance could reduce the attractiveness of cinema advertising

The value of our advertising business could be adversely affected by a long term multi-year decline in theatre attendance or even the perception by media buyers that our network attendance and geographic coverage were expected to decline significantly over the next several years. Factors that could reduce attendance at our network theatres include the following:

- the shortening of the "release window" between the release of major motion pictures in the theatres and release to alternative methods for delivering movies to consumers, such as DVD or HD DVD, cable television, downloads via the Internet, video discs and cassettes, video on demand, satellite, and pay-per-view services;
- any reduction in consumer confidence or disposable income in general that reduces the demand for motion pictures or adversely affects the motion picture production industry; and
- the success of first-run motion pictures, which depends upon the production and marketing efforts of the major studios and the attractiveness of the movies to patrons.

The loss of any major content partner or advertising customer could significantly reduce our revenue

Following this offering, we will derive a significant portion of our revenue from our contracts with our five content partners and our founding members' agreements to purchase on-screen advertising for their beverage concessionaires. NCM LLC's or its predecessor company's relationships with the content partners date back as far as December 2002. None of these companies individually accounted for over 10% of our pro forma revenue during the nine months ended September 28, 2006. However, in the aggregate they accounted for approximately 30.0% of our pro forma revenue during the three months ended September 28, 2006, and approximately 37.8% of our pro forma revenue during the nine months ended September 28, 2006. Because we derive a significant percentage of our total revenue from a relatively small number of large companies, the loss of any one or more of them as a customer could decrease our revenue and adversely affect our current and future operating results.

We generate our revenue almost entirely from advertising, and the reduction in spending by or loss of advertisers could have a serious adverse effect on our business

We generated approximately 93.2% of our pro forma revenue in the three months ended September 28, 2006 and 93.3% of our pro forma revenue in the nine months ended September 28, 2006, from advertising sales. A substantial portion of our advertising inventory is covered by contracts with terms of approximately one month. Advertisers will not continue to do business with us if they believe our advertising medium is ineffective or overly expensive. In addition, large advertisers generally have set advertising budgets, most of which are focused on traditional media platforms. Reductions in the size of advertisers' budgets due to local, regional or national economic trends or other factors could result in lower spending on cinema advertising in general or our advertising business in particular. If we are unable to remain competitive and provide value to our advertisers, they may reduce their advertising purchases or stop placing advertisements with us, which would negatively affect our revenue and ability to generate new business from advertising clients.

If we do not maintain our technological advantage, our business could fail to grow and revenue and operating margins could decline

Failure to successfully or cost-effectively implement upgrades to our software systems to maintain our technological competitiveness could limit our ability to increase our revenue and more effectively leverage our digital platform. Any failure by us to upgrade our technology to remain current with technological changes, including digital cinema, that may be adopted by other providers of cinema advertising or other advertising platforms could hurt our ability to compete with those companies. Under the terms of our exhibitor services agreements with our founding members, we may request that our founding members upgrade the equipment or software installed in their theatres. We must negotiate with our founding members as to the terms of such upgrade, including cost sharing terms, if any. If we are not able to come to an agreement on an upgrade request, we may elect to pay for the upgrades requested which could result in our incurring significant capital

expenditures, which could adversely affect our results of operations. In addition, the failure or delay in implementation of such upgrades or problems with the integration of our systems and software with the digital cinema systems, if such integration is pursued, could slow or prevent the growth of our business.

Our business and operations are experiencing rapid growth, and we may be unable to effectively manage or continue our growth

We have experienced, and continue to experience, rapid growth in our headcount and operations, which has placed, and will continue to place, significant demands on our management and operational infrastructure. If we do not effectively manage our growth, the quality of our services could suffer, which could negatively affect our brand, our relationships with our advertising clients and digital content suppliers and our operating results. To effectively manage this growth, we will need to continue to improve our digital content system distribution software and our internal management systems, including our advertising inventory optimization, management and reporting systems. These systems enhancements and improvements will require allocation of valuable financial and management resources. If the improvements are not implemented successfully in a timely manner or at all, our ability to manage our growth will be impaired and we may have to make significant additional expenditures to address these issues.

Our preliminary plans for developing additional revenue opportunities may not be implemented, may require substantial expenditures and may not be achieved

In addition to our strategy to grow our advertising business, CineMeetings and digital programming events businesses, we are also considering other potential opportunities for revenue growth, which we describe in "Business—Our Strategy—Develop New Marketing Platforms that Leverage Our Existing Assets." For example, we may form a joint venture to create an entertainment magazine that will be distributed in our founding member theatres, and a branded entertainment web site in connection with that magazine on which we and the joint venture may sell advertising. We may also decide to expand our network technology and sales capabilities outside of theatres. These plans are at an early stage, and we may not actually proceed with any of them. If we do choose to proceed with any of these plans, the resulting marketing platforms may not be profitable, despite our having made substantial investments.

Because we have a limited operating history, it is difficult to evaluate our business and prospects

Our predecessor company, RCM, began operations in February 2002. NCM LLC was formed on March 29, 2005, as a joint venture that combined the operations of subsidiaries of AMC and Regal. Cinemark joined as a founding member on July 15, 2005, but because it had a pre-existing contract with another cinema advertising provider, we did not begin to sell advertising in its theatres on an exclusive basis until January 1, 2006 (subject to the run-out of certain pre-existing contractual obligations for on-screen advertising through April 1, 2006), and its theatres were not fully integrated into our network until May 2006. As a result, we have a limited operating history from which you can compare corresponding periods and evaluate our business and our prospects. We may encounter risks and difficulties frequently experienced by newly formed companies in rapidly evolving businesses. If we are unsuccessful in executing our business strategy, we may be unable to:

- increase our revenue and expand our client base;
- operate, support, expand, develop and improve our software and other systems;
- continue to produce high operating income margins; and
- respond to technological changes.

Our historical and pro forma financial information may not be representative of our financial results as an independent public company or our future financial performance

Our historical financial information included in this prospectus does not reflect our financial condition, results of operations and cash flows as they would have been achieved during the periods presented as a separate, stand-alone public entity. Our historical financial statements do not necessarily reflect the costs that we would have incurred had we operated as an independent stand-alone public entity for all periods presented. These costs include higher corporate overhead, interest expense and income taxes.

Our historical financial information includes the consolidated financial statements of RCM, our predecessor company, for periods prior to March 2005 and does not include any information related to AMC or Cinemark. Although historical financial information on AMC's theatre advertising subsidiary, NCN, is presented herein, there is no historical financial information on the combined operations of both AMC and Regal prior to the formation of NCM LLC. Additionally, the historical financial statements of RCM and NCN include screen access charges at different rates than those in effect after the formation of NCM LLC, which rates will change again after completion of the financing transaction and reorganization.

Because Cinemark had a pre-existing contract with another cinema advertising provider, NCM LLC began selling advertising for Cinemark's screens on an exclusive basis beginning on January 1, 2006 (subject to the run-out of certain pre-existing contractual obligations for on-screen advertising through April 1, 2006). In addition, our historical financial information does not include any information related to theatres operated by Loews, which AMC acquired on January 26, 2006, and which will become a part of our theatre network beginning on June 1, 2008, or Century, which Cinemark acquired on October 5, 2006, and which became a part of our theatre network on an exclusive basis, subject to limited exceptions, on the closing date. The historical results of operations of NCM LLC, RCM and NCN have been significantly impacted by related party transactions that we have entered into, as further discussed in the historical financial statements included elsewhere in this prospectus, and the future operating results of NCM Inc. will also be significantly impacted by related party transactions entered into in connection with this offering. As a result, this information may not be representative of our future financial performance.

In preparing the pro forma financial information in this prospectus, we have made adjustments to the historical financial information of NCM LLC and its predecessor company based upon currently available information and upon assumptions that our management believes are reasonable in order to reflect, on a pro forma basis, the impact of the transactions contemplated by the reorganization, the financing transaction and this offering. Some of these adjustments include, among other items, the terms of the exhibitor services agreements with our founding members, adjustments to income tax provisions to account for NCM LLC's status as a limited liability company and our status as a taxable entity, and our acquisition of common membership units of NCM LLC. However, the pro forma financial information does not include adjustments for the addition of the Cinemark, Loews or Century screens. These and other estimates and assumptions used in the calculation of the pro forma financial information in this prospectus may be materially different from our actual experience as a separate, independent company. The pro forma financial information included in this prospectus does not purport to represent what our results of operations would actually have been had we operated as a separate, independent company during the periods presented, nor do the pro forma data give effect to any events other than those discussed in the unaudited pro forma financial information and related notes. See "Unaudited Pro Forma Financial Information."

We depend upon our senior management and our business may be adversely affected if we cannot retain them

Our success depends upon the retention of our experienced senior management with specialized industry and technical knowledge and/or industry relationships. We might not be able to find qualified replacements for our senior management if their services were no longer available to us; accordingly, the loss of critical members of our senior management team could have a material adverse effect on our ability to effectively pursue our business strategy and our relationships with advertisers and content partners. We do not have key-man life insurance covering any of our employees.

Our technology may infringe on rights owned by others which may interfere with our ability to provide services

We may discover that the technology we use infringes patent, copyright, or other intellectual property rights owned by others. In addition, we cannot assure you that our competitors will not claim rights in patents, copyrights, or other intellectual property that will prevent, limit or interfere with our ability to provide our services either in the United States or in international markets. Further, the laws of certain foreign countries may not protect our intellectual property rights to the same extent as do the laws of the United States.

Our revenue fluctuates from quarter to quarter and may be unpredictable, which could increase the volatility of our stock price

Typically, our revenue is lowest in the first quarter of the calendar year as advertising clients scale back their advertising budgets following the year-end holiday season, and our revenue is highest during the summer and the holiday season when theatre attendance is normally highest. However, a weak advertising market, the poor performance of films released in a given quarter or a disruption in the release schedule of films could affect results for the entire fiscal year and significantly affect quarter-to-quarter results. Because our results vary widely from quarter to quarter and may be unpredictable, our financial results for one quarter cannot necessarily be compared to another quarter and may not be indicative of our financial performance in subsequent quarters. These variations in our financial results could contribute to volatility in our stock price.

Risks Related to Our Corporate Structure

We are a holding company with no operations of our own, and will depend on distributions from NCM LLC to meet our ongoing obligations and to pay cash dividends on our common stock

We are a holding company with no operations of our own and have no independent ability to generate revenue. Consequently, our ability to obtain operating funds depends upon distributions from NCM LLC. The distribution of cash flows and other transfers of funds by NCM LLC to us will be subject to statutory and contractual restrictions based upon NCM LLC's financial performance, including NCM LLC's compliance with the covenants in its senior secured credit facility and the NCM LLC operating agreement. The NCM LLC senior secured credit facility will limit NCM LLC's ability to distribute cash to its members, including us, based upon certain leverage tests, with exceptions for, among other things, payment of our income taxes and a management fee to NCM Inc. pursuant to the terms of the management services agreement. We will be unable to pay dividends to our stockholders or pay other expenses outside the ordinary course of business if NCM LLC fails to comply with these covenants and is unable to distribute cash to us.

Pursuant to a management services agreement between us and NCM LLC, NCM LLC will make payments to us to fund our day-to-day operating expenses, such as payroll. However, if NCM LLC cannot make the payments pursuant to the management services agreement, we may be unable to cover these expenses.

As a member of NCM LLC, we will incur income taxes on our proportionate share of any net taxable income of NCM LLC. We have structured the NCM LLC senior secured credit facility to allow NCM LLC to distribute cash to its members (including us and the founding members) in amounts sufficient to cover their tax liabilities and management fees, if any. To the extent we need funds to pay such taxes or for any other purpose, and NCM LLC is unable to provide such funds because of limitations in the NCM LLC senior secured credit facility or other restrictions, it could have a material adverse effect on our business, financial condition, results of operations or prospects.

NCM LLC's substantial debt obligations could impair our financial condition or prevent us from achieving our business goals

In connection with the completion of this offering, NCM LLC will borrow $725.0 million in a term loan that will be a part of a new senior secured credit facility. See "Financing Transaction." We expect the agreements governing NCM LLC's debt obligations to contain restrictive covenants that will limit NCM LLC's ability to take specified actions and prescribe minimum financial maintenance requirements that NCM LLC must meet. Because NCM LLC will be our only operating subsidiary, complying with these restrictions may prevent NCM LLC from taking actions that we believe would help us to grow our business. For example, NCM LLC may be unable to make acquisitions, investments or capital expenditures as a result of such covenants. Moreover, if NCM LLC violates those restrictive covenants or fails to meet the minimum financial requirements, it would be in default, which could, in turn, result in defaults under other obligations of NCM LLC or us. Any such defaults could materially impair our financial condition and liquidity.

Amounts payable to our founding members have historically been paid as NCM LLC collected the related accounts receivable from its customers. Approximately 30 days following the closing of this offering, NCM LLC will repay the remaining amounts owed to our founding members under the existing exhibitor services agreements (which were $43.8 million as of September 28, 2006). To the extent that such amounts have not been funded by receivables (which were $51.9 million as of September 28, 2006), we will draw upon the revolving credit facility to satisfy the amounts owed to the founding members. NCM LLC will repay the amount drawn under the credit facility for this purpose as additional receivables are collected. The amount outstanding under the new revolving credit facility will continue to fluctuate based on working capital needs.

If NCM LLC is unable to meet its debt service obligations, it or we could be forced to restructure or refinance the obligations, seek additional equity financing or sell assets. We may be unable to restructure or refinance these obligations, obtain additional equity financing or sell assets on satisfactory terms or at all.

In addition, NCM LLC's indebtedness could have other negative consequences for us, including without limitation:

- limiting NCM LLC's ability to obtain financing in the future;
- requiring much of NCM LLC's cash flow to be dedicated to interest obligations and making it unavailable for other purposes;
- limiting NCM LLC's liquidity and operational flexibility in changing economic, business and competitive conditions which could require NCM LLC to consider deferring planned capital expenditures, reducing discretionary spending, selling assets, restructuring existing debt or deferring acquisitions or other strategic opportunities; and
- making NCM LLC more vulnerable to an increase in interest rates, a downturn in our operating performance or a decline in general economic conditions.

Our founding members or their affiliates may have interests that differ from those of our public stockholders and they may be able influence our affairs

So long as a founding member beneficially owns at least 5% of NCM LLC's issued and outstanding common membership units, approval of at least 90% of the directors then in office (provided that if the board has less than ten directors, then the approval of at least 80% of the directors then in office) will be required before we may take any of the following actions or we, in our capacity as manager of NCM LLC, may authorize NCM LLC to take any of the following actions:

- assign, transfer, sell or pledge all or a portion of the membership units of NCM LLC beneficially owned by NCM Inc.;
- acquire, dispose, lease or license assets with an aggregate value exceeding 20% of the fair market value of the business of NCM LLC operating as a going concern;
- merge, reorganize, recapitalize, reclassify, consolidate, dissolve, liquidate or enter into a similar transaction;
- incur any funded indebtedness or repay, before due, any funded indebtedness with a fixed term in an aggregate amount in excess of $15 million per year;
- issue, grant or sell shares of NCM Inc. common stock, preferred stock or rights with respect to common or preferred stock, or NCM LLC membership units or rights with respect to membership units, except under specified circumstances;
- amend, modify, restate or repeal any provision of NCM Inc.'s certificate of incorporation or bylaws or the NCM LLC operating agreement;
- enter into, modify or terminate certain material contracts not in the ordinary course of business as defined under applicable securities laws;

- except as specifically set forth in the NCM LLC operating agreement, declare, set aside or pay any redemption of, or dividends with respect to membership interests;
- amend any material terms or provisions (as defined in the Nasdaq rules) of NCM Inc.'s equity incentive plan or enter into any new equity incentive compensation plan;
- make any change in the current business purpose of NCM Inc. to serve solely as the manager of NCM LLC or any change in the current business purpose of NCM LLC to provide the services as set forth in the exhibitor services agreements; and
- approve any actions relating to NCM LLC that could reasonably be expected to have a material adverse tax effect on the founding members.

Pursuant to a director designation agreement, so long as a founding member owns at least 5% of NCM LLC's issued and outstanding common membership units, such founding member will have the right to designate a total of two nominees to our ten-member board of directors who will be voted upon by our stockholders. If, at any time, any founding member owns less than 5% of NCM LLC's then issued and outstanding common membership units, then such founding member shall cease to have any rights of designation.

If any director designee to our board designated by our founding members is not appointed to our board, nominated by us or elected by our stockholders, as applicable, then each of the founding members (so long as such founding member continues to own 5% of NCM LLC's issued and outstanding common membership units) will be entitled to approve specified actions of NCM LLC as described under "Corporate History and Reorganization—Corporate Governance Matters."

For purposes of calculating the 5% ownership threshold for the supermajority director approval rights and director designation agreement provisions discussed above, shares of our common stock held by a founding member and received upon redemption of NCM LLC common membership units will be counted toward the threshold. Common membership units issued to NCM Inc. in connection with the redemption of common membership units by a founding member will be excluded, so long as such founding member continues to hold the common stock acquired through such redemption or such founding member has disposed of such shares of common stock to another founding member. Shares of our common stock otherwise acquired by the founding members will also be excluded, unless such shares of common stock were transferred by one founding member to another and were originally received by the transferring founding member upon redemption of NCM LLC common membership units.

Under these circumstances, our corporate governance documents will allow our founding members and their affiliates to exercise a greater degree of influence in the operation of our business and that of NCM LLC and the management of our affairs and those of NCM LLC than is typically available to stockholders of a publicly-traded company. Even if our founding members or their affiliates own a minority economic interest in NCM LLC, they may be able to continue exerting such degree of influence over us and NCM LLC.

Different interests among our founding members or between our founding members and us could prevent us from achieving our business goals

For the foreseeable future, we expect that our board of directors will include directors and executive officers of our founding members and other directors who may have commercial relationships with our founding members. Our founding members compete with each other in the operation of their respective businesses and could have individual business interests that may conflict with those of the other founding members. Their differing interests could make it difficult for us to pursue strategic initiatives that require consensus among our founding members.

In addition, the structural relationship we have with our founding members could create conflicts of interest among the founding members, or between the founding members and us, in a number of areas relating to our past

and ongoing relationships. There will not be any formal dispute resolution procedures in place to resolve conflicts between us and a founding member or between founding members. We may not be able to resolve any potential conflicts between us and a founding member and, even if we do, the resolution may be less favorable to us than if we were negotiating with an unaffiliated party.

The corporate opportunity provisions in our certificate of incorporation could enable the founding members to benefit from corporate opportunities that might otherwise be available to us

Our certificate of incorporation will contain provisions related to corporate opportunities that may be of interest to both our founding members and us. It will provide that if a corporate opportunity is offered to us, NCM LLC or one or more of the officers, directors or stockholders (both direct and indirect) of NCM Inc. or a member of NCM LLC that relates to the provision of services to motion picture theatres, use of theatres for any purpose, sale of advertising and promotional services in and around theatres and any other business related to the motion picture theatre business (except services as provided in the exhibitor services agreements as from time to time amended and except as may be offered to one of our officers in his capacity as an officer), no such person shall be liable to us or any of our stockholders (or any affiliate thereof) for breach of any fiduciary or other duty by reason of the fact that such person pursues or acquires such business opportunity, directs such business opportunity to another person or fails to present such business opportunity, or information regarding such business opportunity, to us. This provision applies even if the business opportunity is one that we might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so.

In addition, our certificate of incorporation and the NCM LLC operating agreement expressly provide that our founding members may have other business interests and may engage in any other businesses not specifically prohibited by the terms of the certificate of incorporation and exhibitor services agreements. If the parent companies of the founding members develop new media platforms they could compete for advertising dollars with our services. Further, we may also compete with the founding members or their affiliates in the area of employee recruiting and retention. These potential conflicts of interest could have a material adverse effect on our business, financial condition, results of operations or prospects if attractive corporate opportunities are allocated by the founding members to themselves or their other affiliates or we lose key personnel to them. The terms of our certificate of incorporation are more fully described in “Description of Capital Stock.”

The agreements between us and our founding members were made in the context of an affiliated relationship and may contain different terms than comparable agreements with unaffiliated third parties

The exhibitor services agreements and the other contractual agreements that we have with our founding members were negotiated in the context of an affiliated relationship in which representatives of our founding members and their affiliates comprised our entire board of directors. As a result, the financial provisions and the other terms of these agreements, such as covenants, contractual obligations on our part and on the part of our founding members, and termination and default provisions may be less favorable to us than terms that we might have obtained in negotiations with unaffiliated third parties in similar circumstances.

Our certificate of incorporation and bylaws contain anti-takeover protections that may discourage or prevent strategic transactions, including a takeover of our company, even if such a transaction would be beneficial to our stockholders

Provisions contained in our certificate of incorporation and bylaws, the NCM LLC operating agreement, provisions of the Delaware General Corporation Law, or DGCL, could delay or prevent a third party from entering into a strategic transaction with us, even if such a transaction would benefit our stockholders. For example, our certificate of incorporation and bylaws:

- establish supermajority approval requirements by our directors before our board may take certain actions;
- authorize the issuance of “blank check” preferred stock that could be issued by our board of directors to increase the number of outstanding shares, making a takeover more difficult and expensive;

- establish a classified board of directors;
- allow removal of directors only for cause;
- prohibit stockholder action by written consent;
- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates; and
- provide that the founding members will be able to exercise a greater degree of influence over the operations of NCM LLC, which may discourage other nominations to our board of directors, if any director nominee designated by the founding members is not elected by our stockholders.

These restrictions could keep us from pursuing relationships with strategic partners and from raising additional capital, which could impede our ability to expand our business and strengthen our competitive position. These restrictions could also limit stockholder value by impeding a sale of us or NCM LLC.

Any future issuance of membership units by NCM LLC and subsequent redemption of such units for common stock could dilute the voting power of our common stockholders and adversely affect the market value of our common stock

The common unit adjustment agreement and the exhibitor services agreements that will be in place upon the completion of this offering provide that we will issue common membership units of NCM LLC to account for changes in the number of theatre screens our founding members operate. Historically, each of the founding members has increased the number of screens it operates. If this trend continues, NCM LLC may issue additional common membership units to the founding members to reflect their increased screen count. Each common membership unit may be redeemed in exchange for, at our option, shares of our common stock on a one-for-one basis or a cash payment equal to the market price of one share of our common stock. If a significant number of common membership units were issued to our founding members, the founding members elected to redeem such units, and we elected to issue common stock rather than cash upon redemption, the voting power of our common stockholders could be diluted. Other than the maximum number of authorized shares of common stock in our certificate of incorporation, there is no limit on the number of shares of our common stock that we may issue upon redemption of a founding member's common membership units in NCM LLC.

Our future issuance of preferred stock could dilute the voting power of our common stockholders and adversely affect the market value of our common stock

The future 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.

The future 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.

If we or our founding members are determined to be an investment company, we would become subject to burdensome regulatory requirements and our business activities could be restricted

We do not believe that we are an "investment company" under the Investment Company Act of 1940, as amended. As sole manager of NCM LLC, we will control NCM LLC, and our interest in NCM LLC is not an

"investment security" as that term is used in the Investment Company Act. If we were to stop participating in the management of NCM LLC, our interest in NCM LLC could be deemed an "investment security" for purposes of the Investment Company Act. Generally, a company is an "investment company" if it owns investment securities having a value exceeding 40% of the value of its total assets (excluding U.S. government securities and cash items). Following this offering, our sole asset will be our equity interest in NCM LLC. A determination that such asset was an investment security could result in our being considered an investment company under the Investment Company Act. As a result, we would become subject to registration and other burdensome requirements of the Investment Company Act. In addition, the requirements of the Investment Company Act could restrict our business activities, including our ability to issue securities.

We and NCM LLC intend to conduct our operations so that we are not deemed an investment company under the Investment Company Act. However, if anything were to occur that would cause us to be deemed to be an investment company, we would become subject to restrictions imposed by the Investment Company Act. These restrictions, including limitations on our capital structure and our ability to enter into transactions with our affiliates, could make it impractical for us to continue our business as currently conducted and could have a material adverse effect on our financial performance and operations.

We also rely on representations of our founding members that they are not investment companies under the Investment Company Act. If any founding member were deemed to be an investment company, the restrictions placed upon that founding member might inhibit its ability to fulfill its obligations under its exhibitor services agreement or restrict NCM LLC's ability to borrow funds.

Risks Relating to This Offering

Our use of the proceeds from this offering to purchase membership units in NCM LLC will preclude use of those proceeds for other corporate purposes

We intend to use the net proceeds from this offering to purchase newly issued common membership units of NCM LLC, at a price per unit equal to the public offering price per share, less underwriting discounts and commissions and offering expenses. Our founding members will receive $686.3 million for their agreeing to modify our payment obligations under our exhibitor services agreements. NCM LLC will pay all of the proceeds it receives from us to our founding members in payment of a portion of this obligation. The proceeds from this offering will not be available to NCM LLC or us for other corporate purposes, such as expanding our business, which could negatively impact the value of your investment in our common stock. In addition, NCM LLC will enter into a new $805.0 million senior secured credit facility that will substantially limit its future borrowing capacity. The proceeds of the $725.0 million term loan that is part of this new credit facility will be used to redeem all the preferred membership units in NCM LLC from our founding members, to pay any shortfall in the amounts owed to our founding members for their agreeing to modify our payment obligations under our exhibitor services agreements and to pay transaction expenses. The revolving facility that is part of the new facility will be drawn upon to repay amounts outstanding under NCM LLC's existing revolving credit facility (which were $10.0 million as of September 28, 2006) and any remaining amounts owed to the founding members under the existing exhibitor services agreements that, due to timing differences, may not be funded by receivables. As a result, we or NCM LLC may not be able to sell securities or borrow money on acceptable terms, and we and NCM LLC may be unable to expand our business and operations as anticipated. If we are unable to do so, our financial results and the market for our common stock could be adversely affected.

Our tax receivable agreement with the founding members is expected to reduce the amount of overall cash flow that would otherwise be available to us and will increase our potential exposure to the financial condition of the founding members

We expect that the offering and related transactions will 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 its proportionate share of tax basis in NCM LLC's tangible and intangible assets. We have agreed in our tax receivable agreement with the

founding members to pay to the founding members 90% of the amount by which NCM Inc.'s tax payments to various tax authorities are reduced. See "Certain Relationships and Related Party Transactions —Transactions With Founding Members— Tax Receivable Agreement." After paying these reduced amounts to tax authorities, if it is determined as a result of an income tax audit or examination that any amount of NCM Inc.'s claimed tax benefits should not have been available, NCM Inc. may be required to pay additional taxes and possibly penalties and interest to one or more tax authorities. If this were to occur, and if one or more of the founding members was insolvent or bankrupt or otherwise unable to make payment under its indemnification obligation under the tax receivable agreement, then NCM Inc.'s financial condition could be materially impaired.

The substantial number of shares that will be eligible for sale in the near future could cause the market price for our common stock to decline or make it difficult for us to sell equity securities in the future

We cannot predict the effect, if any, that market sales of shares of common stock or the availability of shares of common stock for sale will have on the market price of our common stock from time to time. Sales of substantial amounts of shares of our common stock in the public market following this offering, or the perception that those sales will occur, could cause the market price of our common stock to decline or make future offerings of our equity securities more difficult. If we are unable to sell equity securities at times and prices that we deem appropriate, we may be unable to fund growth.

The 38,000,000 shares of common stock being sold in this offering will be freely tradable unless acquired by one of our affiliates. In addition, the founding members may receive up to 55,850,951 shares of common stock, which initially will be unregistered, upon redemption of their outstanding common membership units of NCM LLC. These shares of common stock will constitute "restricted securities" under the Securities Act of 1933, as amended, or the Securities Act. Provided the holders comply with the holding periods and other conditions prescribed in Rule 144 under the Securities Act, all but 78,947 of these unregistered shares of common stock cease to be restricted securities and become freely tradable.

Our officers and directors have agreed that they will not offer, sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, or publicly disclose the intention to make any such disposition, or to enter into any such arrangement, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC for a period of 180 days after the date of this prospectus. The founding members have also agreed to the same restrictions for a period of 180 days after the date of this prospectus. After the lock-up period expires, our founding members will be able to exercise registration rights that we have granted them as described in "Certain Relationships and Related Party Transactions—Transactions with Founding Members—Registration Rights." We cannot predict whether substantial amounts of our common stock will be sold in the open market in anticipation of, or following any divestiture by our founding members or our directors or executive officers of their shares of our common stock.

Additionally, 358,977 shares of restricted stock will be outstanding and approximately 1,790,960 shares of our common stock will be issuable upon exercise of stock options that vest through 2012 and become exercisable beginning on January 1, 2008. We will substitute 352,661 shares of restricted stock for restricted units that will be granted to NCM LLC option holders as "IPO awards" and 1,572,960 options to acquire our common stock for options that were granted by NCM LLC throughout 2006 in connection with the completion of this offering. None of such restricted stock or options were vested as of September 28, 2006. The options issued to acquire our common stock will result in compensation expense of approximately $2.2 million per year over the vesting period of the stock options which is not a significant change in compensation expense as compared to amounts previously recognized by NCM LLC. In addition, NCM Inc. will record additional compensation expense for the restricted stock issued of approximately $1.3 million per year over the vesting period of the restricted stock. We also plan to grant options to acquire 218,000 shares of our common stock to our employees, and 6,316 shares of restricted

common stock to our non-employee directors, in connection with the completion of this offering. For these additional NCM Inc. options and restricted stock to be issued to employees and non-employee directors, NCM Inc. anticipates recording an additional $0.3 million of compensation expense per year over the vesting period. Once the options and restricted stock become vested and/or exercisable, as applicable, to the extent they are not held by one of our affiliates, the shares acquired upon vesting or exercise will be freely tradable following effectiveness of the registration statement for the shares reserved under the equity incentive plan, which we plan to file promptly after completion of this offering.

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

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

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

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

Affiliates of several of the underwriters for this offering hold interests in founding members and, therefore, have interests in this offering beyond customary underwriting discounts and commissions

As of January 5, 2007, several of the underwriters have affiliates who own common stock of one or more of our founding members. An affiliate of Citigroup Global Markets Inc. owned approximately 3.0% of AMC's common stock, less than 1.0% of Regal's common stock and less than 1.0% of Cinemark's common stock. Goldman, Sachs and Co. owned less than 1.0% of Regal's common stock. An affiliate of Morgan Stanley & Co. Incorporated owned approximately 1.8% of Regal's common stock. An affiliate of J.P. Morgan Securities Inc. owned approximately 20.8% of AMC's common stock and less than 1.0% of Regal's common stock. An affiliate of Credit Suisse Securities (USA) LLC owned less than 1.0% of Regal's common stock, less than 1.0% of Cinemark's common stock and less than 1.0% of AMC's common stock. Banc of America Securities LLC and its affiliates owned approximately 4.3% of Regal's common stock. See "Use of Proceeds" and "Underwriting." There may be a conflict of interest between their interests as underwriters and their interests as stockholders of founding members, who will receive a payment of $686.3 million from NCM LLC upon the completion of this offering for their agreeing to modify our payment obligations under our exhibitor services agreements. As participants in this offering that are seeking to realize the value of their investment in us, these underwriters have interests beyond customary underwriting discounts and commissions.

You will experience immediate and substantial dilution in net tangible book value per share of common stock

The initial public offering price of the common stock will be substantially higher than the pro forma combined net tangible book value per share of our outstanding common stock. If you purchase shares of our common stock, you will incur immediate and substantial dilution in the amount of $27.63 per share, based on an assumed initial public offering price of $19.00 per share, which is the midpoint of the initial public offering price range set forth on

the cover of this prospectus. A $1.00 increase in the initial public offering price per share would not impact the net tangible book value. A 10% increase in the number of shares of common stock sold, assuming an initial public offering price of $19.00 (the midpoint of the range set forth on the cover page of this prospectus), would not have a meaningful impact on our net tangible book value as of September 28, 2006. See “Dilution.”

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical information, this prospectus contains forward-looking statements. The words “forecast,” “estimate,” “project,” “intend,” “expect,” “should,” “believe” and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors, including those discussed in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the following:

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

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

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

USE OF PROCEEDS

Based upon an estimated initial public offering price of $19.00 per share (the midpoint of the range set forth on the cover page of this prospectus), we estimate that we will receive net proceeds from this offering of approximately $674.3 million, after deducting estimated underwriting discounts and commissions in connection with this offering and estimated offering expenses of $8.0 million. See "Underwriting." If the underwriters exercise their option to purchase an additional 4,000,000 shares of our common stock to cover over-allotments of shares, we will use the net proceeds from the over-allotments to purchase an equivalent number of common membership units in NCM LLC held by our founding members on a pro rata basis at a price per unit equal to the public offering price per share, less underwriting discounts and commissions and offering expenses.

We will use all of the estimated net proceeds of approximately $674.3 million to purchase newly issued common membership units from NCM LLC at a price per unit equal to the public offering price per share, less underwriting discounts and commissions and offering expenses of $8.0 million. NCM LLC will use all of the estimated net proceeds of approximately $674.3 million it receives from us to pay a portion of the $686.3 million owed to our founding members for their agreeing to modify our payment obligations under our exhibitor services agreements. NCM LLC will also use $12.0 million from its term loan borrowings for this purpose. We will purchase a number of common membership units equal to the number of shares of common stock sold in this offering.

As of January 5, 2007, several of the underwriters have affiliates who own common stock of one or more of our founding members. An affiliate of Citigroup Global Markets Inc. owned approximately 3.0% of AMC's common stock, less than 1.0% of Regal's common stock and less than 1.0% of Cinemark's common stock. Goldman, Sachs and Co. owned less than 1.0% of Regal's common stock. An affiliate of Morgan Stanley & Co. Incorporated owned approximately 1.8% of Regal's common stock. An affiliate of J.P. Morgan Securities Inc. owned approximately 20.8% of AMC's common stock and less than 1.0% of Regal's common stock. An affiliate of Credit Suisse Securities (USA) LLC owned less than 1.0% of Regal's common stock, less than 1.0% of Cinemark's common stock and less than 1.0% of AMC's common stock. Banc of America Securities LLC and its affiliates owned approximately 4.3% of Regal's common stock.

In connection with the completion of this offering, NCM LLC will enter into a new $805.0 million senior secured credit facility with a group of lenders that will include affiliates of several of the underwriters. This facility will consist of a six-year, $80.0 million revolving credit facility and an eight-year, $725.0 million term loan facility. The revolving credit facility will be available, subject to certain conditions, for general corporate purposes of NCM LLC and its subsidiaries in the ordinary course of business and for other transactions permitted under the credit agreement. The term loan will be due on the eighth anniversary of funding and will be used to redeem all the preferred membership units of NCM LLC for an aggregate price of $698.5 million, and to pay $12.0 million to our founding members for their agreeing to modify our payment obligations under our exhibitor services agreements, and to pay transaction expenses. The revolving facility will be drawn upon to repay amounts outstanding under NCM LLC's existing $20 million revolving credit facility (which were $10.0 million as of September 28, 2006). Affiliates of Credit Suisse Securities (USA) LLC, Lehman Brothers Inc., Banc of America Securities LLC and Citigroup Global Markets Inc. are lenders under the existing revolving credit facility.

DIVIDEND POLICY

Upon completion of the offering, we will become a member and the sole manager of NCM LLC. We will be a holding company, will have no direct operations and will be able to pay dividends only from our available cash on hand and funds received from NCM LLC. We expect that most of our operating expenses will be paid by NCM LLC pursuant to the terms of a management services agreement between us and NCM LLC.

NCM LLC's operating agreement will require that it distribute to its members, on a quarterly basis, cash that is not required to meet NCM LLC's anticipated business needs and that is permitted to be distributed under the terms of its senior secured credit facility. The terms of the senior secured credit facility will limit distributions to us and other members of NCM LLC if there is a default or if we do not meet certain leverage tests. NCM LLC's ability to make any distributions to us will also depend upon other factors, including its operating results and cash flow from operations. The change from our current circuit share expense to a theatre access fee will result in lower payments to our founding members under the exhibitor services agreements than has been the case historically. We believe this reduction in payments will more than offset the expected higher interest payments under the senior secured credit facility, and allow NCM LLC to generate sufficient cash to make distributions to us in the future. We intend to distribute as dividends to our common stockholders a substantial portion of the distributions we receive from NCM LLC.

The declaration, payment, timing and amount of any future dividends payable by us will be at the sole discretion of our board of directors who will take into account general economic and business conditions, our financial condition, our available cash, our current and anticipated cash needs, and any other factors that the board considers relevant. Under Delaware law, dividends may be payable only out of surplus, which is our net assets minus our liabilities and our capital, or, if we have no surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year.

Any cash distributed to us by NCM LLC will not be available to NCM LLC for other corporate purposes, such as acquisitions, investments, capital expenditures or repayment of NCM LLC's term loan.

CAPITALIZATION

The following table sets forth as of September 28, 2006:

(i) the cash and cash equivalents and capitalization of NCM LLC; and

(ii) our pro forma cash and cash equivalents and capitalization on a consolidated basis with NCM LLC as adjusted to reflect (a) the incurrence of debt under the new NCM LLC senior secured credit facility, (b) the reorganization and (c) our issuance and sale of the shares of common stock in this offering at an assumed initial offering price of $19.00 per share (the midpoint of the range set forth on the cover page of this prospectus) after deducting underwriting discounts and commissions and offering expenses, the receipt of the estimated proceeds therefrom and the purchase of 38,000,000 common membership units from NCM LLC.

The table should be read in conjunction with the historical financial statements and related notes and our unaudited pro forma financial information and related notes, in each case included elsewhere in this prospectus. The data assume that there has been no exercise, in whole or in part, of the underwriters' over-allotment option to purchase additional shares of our common stock in this offering.

	As of September 28, 2006	
	NCM LLC	NCM Inc. Pro Forma As Adjusted
	($ in millions, except per share data)	
Cash and Cash Equivalents	$ 4.6	$ 4.6
Term Loan	—	725.0
Revolving Credit Facility	10.0	10.0 (1)
Members' Equity	2.1	—
Stockholder's Equity (deficit):		
Common stock; $0.01 par value; 1,000 shares authorized; none issued and outstanding on an actual basis, 38,000,000 shares issued and outstanding on a pro forma basis		0.4
Distributions in Excess of Paid-in Capital		(575.0)
Members'/Stockholder's Equity (deficit)	2.1	(574.6)(2)
Total Capitalization	$ 12.1	$ 160.4 (2)

(1) Amounts payable to our founding members have historically been paid as NCM LLC collected the related accounts receivable from its customers. Approximately 30 days following the closing of this offering, NCM LLC will repay the remaining amounts owed to our founding members under the existing exhibitor services agreements (which were $43.8 million as of September 28, 2006). To the extent that such amounts have not been funded by receivables (which were $51.9 million as of September 28, 2006), we will draw upon the revolving credit facility to satisfy the amounts owed to the founding members. NCM LLC will repay the amount drawn under the credit facility for this purpose as additional receivables are collected. The amount outstanding under the new revolving credit facility will continue to fluctuate based on working capital needs.

(2) A $1.00 increase in the initial public offering price per share would result in increases in stockholder's equity and total capitalization, as of September 28, 2006 on a pro forma basis, of $3.2 million. Separately, a 10% increase in the number of shares of common stock sold, assuming an initial public offering price of $19.00 (the midpoint of the range set forth on the cover page of this prospectus), would result in increases in stockholders' equity and total capitalization, as of September 28, 2006 on a pro forma basis, of $14.2 million.

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock after this offering. Dilution results from the fact that the per share offering price of the common stock is substantially in excess of the book value per share attributable to the existing stockholders for the presently outstanding stock.

As of September 28, 2006, the net tangible negative book value of NCM LLC was approximately $(0.9) million, or approximately $(0.02) per share of common stock. Net tangible book value per share represents total tangible assets less total consolidated liabilities, divided by the aggregate number of shares of common stock outstanding assuming the redemption of all current NCM LLC common membership units in exchange for an aggregate of 55,850,951 shares of common stock. Restricted stock of 358,977 is also included in the following calculations.

After giving effect to our issuance of shares of common stock in this offering, the reorganization and the financing transaction, and assuming an estimated offering price of $19.00 per share (the midpoint of the range set forth on the cover page of this prospectus), and after deducting estimated offering expenses and assuming full redemption of NCM LLC membership units held by the founding members in exchange for shares of our common stock, our pro forma net tangible negative book value as of September 28, 2006 would have been approximately $(813.50) million or $(8.63) per share of common stock.[1] This represents an immediate dilution to new investors in our common stock of approximately $27.63 per share.

The following table illustrates this per share dilution (assuming that the underwriters do not exercise their over-allotment option in whole or in part):

Initial public offering price per share		$ 19.00
Pro forma net tangible book value per share as of September 28, 2006	$ (0.02)	
Decrease in pro forma net tangible book value per share attributable to this offering, the financing transaction and the reorganization	$ (8.61)	
Pro forma net tangible book value per share after the completion of this offering, the reorganization and the financing transaction		$ (8.63)
Pro forma dilution per share to new investors		$ 27.63

If the underwriters' over-allotment option is exercised in full, the pro forma negative net tangible book value per share of common stock after giving effect to this offering, the reorganization and the financing transaction would be approximately $(8.61) per share and the dilution in pro forma net tangible book value per share of common stock to new investors would be $(27.63) per share.

The foregoing discussion and tables assume no exercise of any stock options that will be outstanding immediately following this offering. As of the date of completion of this offering, we will have outstanding options to purchase 1,790,960 shares of our common stock and 358,977 shares of restricted common stock, including options and restricted shares NCM Inc. intends to grant upon the completion of this offering. If all of these options and the entire over-allotment option were exercised, there would be less pro forma dilution to new investors of $(0.48) per share.

[1] A $1.00 increase in the initial public offering price per share would not impact the net tangible book value. A 10% increase in the number of shares of common stock would not have a meaningful impact on our net tangible book value as of September 28, 2006.

The following table summarizes, on a pro forma basis as of September 28, 2006 the difference between the total cash consideration paid by our founding members for common stock, assuming the redemption of all membership units of NCM LLC in exchange for shares of our common stock in the manner described above, and the purchasers of common stock in the public offering, before deducting estimated underwriting discounts and commissions and estimated offering expenses. Restricted stock and options are not included in the following calculations.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount (millions)	Percent	
Founding members	55,850,951	59.5%	$ (1,366.4)	NM	$ (24.47)
Purchasers of common stock	38,000,000	40.5%	722.0	NM	19.00
Total	93,850,951	100.0%	$ (644.4)	100.0%	$ (6.87)

NM = not meaningful

If the underwriters' option to purchase additional shares is exercised in full and assuming full redemption of NCM LLC membership units held by the founding members in exchange for shares of our common stock, the following will occur:

- The percentage of shares of common stock held by the founding members will decrease to approximately 55.2% of the total number of shares of common stock outstanding, and
- The number of shares of common stock held by purchasers of common stock will increase to 42,000,000 shares, or approximately 44.8% of the total number of shares of common stock outstanding after this offering.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

NCM LLC was formed on March 29, 2005, by AMC and Regal as a joint venture that combined the cinema advertising and meetings and events operations of Regal's subsidiary, RCM, and the cinema advertising operations of AMC's subsidiary, NCN. The contribution of the net assets by AMC and Regal was accounted for at historical costs. Under GAAP, RCM and NCN are considered to be the joint predecessors of NCM LLC. NCM LLC commenced operations on April 1, 2005. On July 15, 2005, Cinemark, through a wholly-owned subsidiary, joined NCM LLC as a founding member. Because Cinemark had a pre-existing contract with another cinema advertising provider, NCM LLC began selling advertising for Cinemark's screens on an exclusive basis beginning on January 1, 2006 (subject to the run-out of certain pre-existing contractual obligations for on-screen advertising through April 1, 2006). As a result, revenue from the sale of advertising for Cinemark's screens are only reflected in NCM LLC's unaudited historical statements of operations subsequent to January 1, 2006. On January 26, 2006, AMC acquired the Loews theatre circuit. The Loews screens will become part of our national advertising network on an exclusive basis beginning on June 1, 2008, following the expiration of Loews' pre-existing contract with another cinema advertising provider. The Loews theatres will be subject to the following: (i) during the period beginning on June 1, 2008 through November 30, 2008, the run-out of on-screen advertising and entertainment content and (ii) during the period beginning on December 1, 2008 through February 28, 2009, the right of the prior advertising provider to up to one minute of advertising inventory during the pre-feature show, in each case, for pre-existing contractual obligations that exist on May 31, 2008. In accordance with a Loews screen integration agreement between us and AMC, AMC will pay us an amount that approximates the EBITDA we would have generated if we were able to sell advertising in the Loews theatre chain on an exclusive basis. Effective as of January 5, 2007, NCM LLC re-allocated the common membership units in NCM LLC among the founding members to reflect the payments to be made by AMC pursuant to the terms of the Loews screen integration agreement. The number of common membership units allocated to AMC was calculated by multiplying the total number of NCM LLC common membership units outstanding by a ratio of theatre screens and patrons at Loews theatres compared to the total number of theatre screens and patrons at all founding member theatres. These Loews payments will be made on a quarterly basis in arrears until May 31, 2008, and, for accounting purposes, will be recorded in members' equity and will not be reflected in NCM LLC's statements of operations.

The following (i) unaudited pro forma condensed consolidated statements of operations for the year ended December 29, 2005, the three and nine months ended September 28, 2006, and (ii) the unaudited pro forma condensed consolidated balance sheet at September 28, 2006, present the consolidated results of operations and financial position of NCM Inc. assuming the transactions discussed below had been completed and the material changes to contractual arrangements discussed below, which will occur in connection with the completion of the offering and related transactions described in this prospectus, had become effective as of December 31, 2004, with respect to the pro forma statements of operations and as of September 28, 2006, with respect to the pro forma balance sheet. The pro forma adjustments are based on available information and upon assumptions that management believes are reasonable in order to reflect, on a pro forma basis, the impact of the historical adjustments listed below and the transaction adjustments listed below on the historical financial information of NCM Inc. The adjustments as set forth below are described in detail in the notes to the unaudited pro forma condensed consolidated statements of operations and the unaudited pro forma condensed consolidated balance sheet and principally include the matters set forth below.

The contractual adjustments include adjustments to reflect:

- the terms of the exhibitor services agreements to be entered into in connection with the completion of this offering (as further described in "Certain Relationships and Related Party Transactions—Transactions with Founding Members—Exhibitor Services Agreements"), which are included herein due to the significant business and financial differences from our current contractual arrangements with our founding members and which will have ongoing material significance to our results of operations, as compared to our historical results of operations, in that they (i) assign legacy contracts to NCM LLC,

(ii) make additional inventory of lobby promotions, CineMeetings and digital programming events available to NCM LLC on a pre-approved basis, (iii) make additional theatre advertising inventory available to NCM LLC to sell such inventory at stated rates to the founding members in order for them to fulfill their on-screen advertising commitments with their beverage concessionaires and (iv) change the circuit share expense to the theatre access fee, resulting in lower payments to our founding members;

- adjustments to income tax provisions to account for NCM LLC's status as a limited liability company; and
- the elimination of non-recurring restructuring charges at NCN relating to the formation of NCM LLC.

Legacy contracts are those advertising contracts entered into by RCM and NCN prior to the formation of NCM LLC.

The transaction adjustments result from:

- the completion of the non-cash recapitalization of NCM LLC pursuant to which (i) NCM LLC will split the number of outstanding common membership units so that a common membership unit can be acquired with the proceeds from the initial offering of one share of our common stock after underwriting discounts and commissions and offering expenses and (ii) founding members of NCM LLC will receive one common membership unit and one preferred membership unit in exchange for each outstanding common membership unit;
- the completion of the offering and the use of proceeds therefrom as set forth in this prospectus, including our acquisition of 40.5% of the common membership units of NCM LLC, which will be accounted for by our expected consolidation of NCM LLC, as discussed in Note 8 to the pro forma condensed consolidated balance sheet; and
- the completion of the financing transaction, pursuant to which all the preferred membership units of NCM LLC will be redeemed from the proceeds of the term loan portion of a new senior secured credit facility.

NCM LLC will redeem all the preferred membership units in NCM LLC at an aggregate price of $698.5 million. Upon payment of such amount, each preferred unit will be cancelled and the founding members shall cease to have any rights with respect to the preferred units. The purpose for issuing the preferred membership units in connection with the non-cash recapitalization, and for subsequently redeeming all the preferred membership units in connection with the offering, is to create an efficient mechanism for distributing all the redemption proceeds to our founding members. We believe the preferred membership units create an efficient mechanism for the distribution of the redemption proceeds to our founding members because the terms of the preferred membership units are structured so that the distribution preference held by our founding members can vary depending on the eventual net proceeds of the offering (as described in "Certain Relationships and Related Party Transactions — Transactions With Founding Members — NCM LLC Operating Agreement — Recapitalization and Preferred Unit Redemption"). We also believe that the creation of the preferred membership units as part of the non-cash recapitalization clearly establishes that NCM Inc., which will acquire only common membership units in connection with the offering, will not be entitled to any portion of the redemption proceeds when the preferred membership units are subsequently redeemed.

You should read this unaudited pro forma condensed consolidated financial information together with the other information contained in this prospectus, including "Corporate History and Reorganization," "Financing Transaction," "Management's Discussion and Analysis of Financial Condition and Results of Operations," our audited historical financial statements and the notes thereto included elsewhere in this prospectus, and our unaudited historical interim consolidated financial statements and the notes thereto included elsewhere in this prospectus.

The unaudited pro forma condensed consolidated financial information is included for informational purposes only and does not purport to reflect the results of operations or financial position of NCM Inc. and NCM LLC that would have occurred had they operated as separate, independent companies during the periods presented. The historical results of operations of NCM LLC, RCM and NCN have been significantly impacted by related party transactions, as discussed more fully in the historical financial statements included elsewhere in this prospectus, and the future operating results of NCM Inc. will also be impacted by related party transactions. Historical and pro forma results of operations and financial condition are not necessarily indicative of what would have occurred had all transactions occurred with unrelated parties. Also, the pro forma condensed consolidated financial information should not be relied upon as being indicative of NCM Inc. or NCM LLC's results of operations or financial condition had the contractual adjustments and the transaction adjustments been completed on December 31, 2004, with respect to the pro forma statements of operations and as of September 28, 2006, with respect to the pro forma balance sheet. The pro forma condensed consolidated financial information also does not project the results of operations or financial position for any future period or date.

Unaudited Pro Forma Condensed Consolidated Statement of Operations

Fiscal Year Ended December 29, 2005

	NCM LLC Nine Months Ended December 29, 2005 Historical	RCM Three Months Ended March 31, 2005 Historical	NCN Three Months Ended March 31, 2005 Historical	NCM LLC Combined Historical[1]	Contractual Adjustments	NCM LLC Pro Forma	Transaction Adjustments	NCM Inc.* Pro Forma As Adjusted
	($ in millions, except per share data)							
Revenue:								
Advertising	$ 56.0	$ 15.6	$ 13.3	$ 84.9	$ 88.0[2] 34.5[3]	$ 207.4	$ —	$ 207.4
Administrative Fees—Members	30.8	—	—	30.8	(30.8)[2]	—	—	—
Meetings and Events	11.7	2.1	—	13.8	—	13.8	—	13.8
Other	0.3	0.1	—	0.4	—	0.4	—	0.4
TOTAL REVENUE	$ 98.8	$ 17.8	$ 13.3	$ 129.9	$ 91.7	$ 221.6	$ 0.0	$ 221.6
Expenses:								
Advertising Operating Costs	$ 6.3	$ 0.9	$ 3.3	$ 10.5	$ —	$ 10.5	$ —	$ 10.5
Meetings / Events Operating Costs	5.4	0.8	—	6.2	—	6.2	—	6.2
Network Costs	9.2	2.4	1.0	12.6	—	12.6	—	12.6
Circuit Share / Theatre Access Fee—Members	38.6	2.4	4.6	45.6	57.2[2] (66.3)[4]	36.5	—	36.5
Selling and Marketing	24.9	4.4	2.9	32.2	—	32.2	—	32.2
Administrative	9.8	3.4	1.6	14.8	—	14.8	—	14.8
Deferred Stock Compensation	—	0.3	—	0.3	—	0.3	—	0.3
Severance Plan Costs	8.5	—	—	8.5	—	8.5	—	8.5
Restructuring Charge	—	—	0.8	0.8	(0.8)[6]	—	—	—
Depreciation and Amortization	3.0	0.4	0.9	4.3	—	4.3	—	4.3
TOTAL EXPENSES	$ 105.7	$ 15.0	$ 15.1	$ 135.8	$ (9.9)	$ 125.9	$ 0.0	$ 125.9
Operating Income (Loss)	$ (6.9)	$ 2.8	$ (1.8)	$ (5.9)	$ 101.6	$ 95.7	$ 0.0	$ 95.7
Interest Expense	—	—	—	—	—	—	64.5[7]	64.5
Income / (Loss) Before Income Taxes	$ (6.9)	$ 2.8	$ (1.8)	$ (5.9)	$ 101.6	$ 95.7	$ (64.5)	$ 31.2
Income Taxes	—	1.1	(0.8)	0.3	(0.3)[5]	—	12.5[9]	12.5
Minority Interest, Net of Income Taxes	—	—	—	—	—	—	11.2[8]	11.2
NET INCOME (LOSS)	$ (6.9)	$ 1.7	$ (1.0)	$ (6.2)	$ 101.9	$ 95.7	$ (88.2)	$ 7.5
EARNINGS PER SHARE:								
Basic								$ 0.20[11]
Diluted								$ 0.20[11]
WEIGHTED AVERAGE SHARES OUTSTANDING:								
Basic								38,000,000
Diluted								93,850,951

* *As a newly formed entity, NCM Inc. will have no results of operations until the completion of the transaction contemplated hereby.*

Unaudited Pro Forma Condensed Consolidated Statement of Operations

Quarter Ended September 28, 2006

	NCM LLC Three Months Ended September 28, 2006 Historical	Contractual Adjustments	NCM LLC Pro Forma	Transaction Adjustments	NCM Inc.* Pro Forma As Adjusted
		($ in millions, except per share data)			
Revenue:					
Advertising	$ 54.9	$ 2.5 [2] 11.5 [3]	$ 68.9	$ —	$ 68.9
Administrative Fees—Members	0.8	(0.8)[2]	—	—	—
Meetings and Events	4.8	—	4.8	—	4.8
Other	0.2	—	0.2	—	0.2
TOTAL REVENUE	$ 60.7	$ 13.2	$ 73.9	$ 0.0	$ 73.9
Expenses:					
Advertising Operating Costs	$ 2.2	$ —	$ 2.2	$ —	$ 2.2
Meetings / Events Operating Costs	1.5	—	1.5	—	1.5
Network Costs	3.5	—	3.5	—	3.5
Circuit Share / Theatre Access Fee—Members	38.0	1.7 [2] (28.1)[4]	11.6	—	11.6
Selling and Marketing	9.6	—	9.6	—	9.6
Administrative	4.1	—	4.1	0.3 [10]	4.4
Severance Plan Costs	0.7	—	0.7	—	0.7
Depreciation and Amortization	1.1	—	1.1	—	1.1
Other	0.4	—	0.4	—	0.4
TOTAL EXPENSES	$ 61.1	$ (26.4)	$ 34.7	$ 0.3	$ 35.0
Operating Income (Loss)	$ (0.4)	$ 39.6	$ 39.2	$ (0.3)	$ 38.9
Interest Expense	0.2	—	0.2	15.9[7]	16.1
Income / (Loss) Before Income Taxes	$ (0.6)	$ 39.6	$ 39.0	$ (16.2)	$ 22.8
Income Taxes	—	—	—	9.1[9]	9.1
Minority Interest, Net of Income Taxes	—	—	—	8.2[8]	8.2
NET INCOME (LOSS)	$ (0.6)	$ 39.6	$ 39.0	$ (33.5)	$ 5.5
EARNINGS PER SHARE:					
Basic					$ 0.15[11]
Diluted					$ 0.15[11]
WEIGHTED AVERAGE SHARES OUTSTANDING:					
Basic					38,000,000
Diluted					94,035,383

* *As a newly formed entity, NCM Inc. will have no results of operations until the completion of the transaction contemplated hereby.*

Unaudited Pro Forma Condensed Consolidated Statement of Operations

Nine Months Ended September 28, 2006

	NCM LLC Nine Months Ended September 28, 2006 Historical	Contractual Adjustments	NCM LLC Pro Forma	Transaction Adjustments	NCM Inc.* Pro Forma As Adjusted
		($ in millions, except per share data)			
Revenue:					
Advertising	$ 128.2	$ 13.4 [2] 33.8 [3]	$ 175.4	$ —	$ 175.4
Administrative Fees—Members	4.3	(4.3)[2]	—	—	—
Meetings and Events	12.5	—	12.5	—	12.5
Other	0.2	—	0.2	—	0.2
TOTAL REVENUE	$ 145.2	$ 42.9	$ 188.1	$ 0.0	$ 188.1
Expenses:					
Advertising Operating Costs	$ 6.0	$ —	$ 6.0	$ —	$ 6.0
Meetings / Events Operating Costs	4.5	—	4.5	—	4.5
Network Costs	10.5	—	10.5	—	10.5
Circuit Share / Theatre Access Fee—Members	88.6	9.1 [2] (62.6)[4]	35.1	—	35.1
Selling and Marketing	27.9	—	27.9	—	27.9
Administrative	11.4	—	11.4	0.6[10]	12.0
Severance Plan Costs	3.4	—	3.4	—	3.4
Depreciation and Amortization	3.4	—	3.4	—	3.4
Other	0.4	—	0.4		0.4
TOTAL EXPENSES	$ 156.1	$ (53.5)	$ 102.6	$ 0.6	$ 103.2
Operating Income (Loss)	$ (10.9)	$ 96.4	$ 85.5	$ (0.6)	$ 84.9
Interest Expense	0.3	—	0.3	48.1[7]	48.4
Income / (Loss) Before Income Taxes	$ (11.2)	$ 96.4	$ 85.2	$ (48.7)	$ 36.5
Income Taxes	—	—	—	14.5[9]	14.5
Minority Interest, Net of Income Tax	—	—	—	13.1[8]	13.1
NET INCOME (LOSS)	$ (11.2)	$ 96.4	$ 85.2	$ (76.3)	$ 8.9
EARNINGS PER SHARE:					
Basic					$ 0.23[11]
Diluted					$ 0.23[11]
WEIGHTED AVERAGE SHARES OUTSTANDING:					
Basic					38,000,000
Diluted					93,971,088

* *As a newly formed entity, NCM Inc. will have no results of operations until the completion of the transaction contemplated hereby.*

Notes to the Unaudited Pro Forma Condensed Consolidated Statements of Operations:

1. Represents the historical operating results for NCM LLC for the nine months ended December 29, 2005, and the historical operating results of RCM and NCN for the three months ended March 31, 2005.
2. Represents the increase to advertising revenue to reflect the pro forma assignment from the founding members to NCM LLC of all legacy advertising contracts in accordance with the exhibitor services agreements to be entered into in connection with the completion of the offering, based on the actual revenue generated from those legacy contracts ($88.0 million for the nine months ended December 29, 2005, and $11.5 million and $33.8 million for the quarter and nine months ended September 28, 2006, respectively), the reversal of the related legacy contract administrative fees historically recorded by NCM LLC ($30.8 million for the nine months ended December 29, 2005, and $0.8 million and $4.3 million for the quarter and nine months ended September 28, 2006, respectively), and the increase in circuit share expense resulting from the increased advertising revenue, computed at 65% for 2005 and 68% for 2006 as a percentage of legacy contract revenue ($88.0 million for the nine months ended December 29, 2005, and $11.5 million and $33.8 million for the quarter and nine months ended September 28, 2006, respectively). Legacy advertising contracts are those contracts signed by RCM and NCN prior to the formation of NCM LLC. The pro forma impact of the exhibitor services agreements on circuit share expense is included in the pro forma adjustment described in Note 4 below.
3. Represents the pro forma effect of the revenue from the sale of additional theatre advertising inventory to the founding members, in accordance with the exhibitor services agreements to be entered into in connection with the completion of the offering, in order for the founding members to fulfill their beverage concessionaire agreement on-screen advertising commitments. Inventory used to fulfill advertising commitments under the founding members' beverage concessionaire agreements had been retained by the founding members under our prior contractual arrangements with our founding members, but will be made available to NCM LLC under the exhibitor services agreements. This inventory will be sold to the founding members at a 30 second CPM equivalent, as set forth in the exhibitor services agreements, for the 90 seconds used, and the pro forma adjustment is computed by multiplying the historical founding member attendance by such CPM equivalent.
4. Represents the change in circuit share payments pursuant to the exhibitor services agreements to be entered into in connection with the completion of the offering. Under the terms of our prior contracts with our founding members, the circuit share payments were based on varying percentages of advertising revenue. Under the modified exhibitor services agreements, the theatre access fee payments will initially be based on $0.07 per attendee and $800 per year per digital screen. The pro forma adjustment was computed on the basis of the pro forma levels of founding member attendance (395.2 million for the year ended December 29, 2005 and 131.8 million and 384.4 million for the three and nine months ended September 28, 2006 respectively) and average numbers of founding member digital screens (8,101 for the year ended December 29, 2005 and 10,777 and 10,525 for the three and nine months ended September 28, 2006).
5. Represents the elimination of the income tax provision of RCM and NCN related to their status as "C" corporations. Had they been part of NCM LLC during that period, they would not have recorded any income tax expense or benefit.
6. Represents the elimination of non-recurring restructuring charges incurred by NCN in connection with the formation of NCM LLC.
7. Represents interest expense, including amortization of an estimated $14.5 million of deferred financing fees, over the term of the loan related to the incurrence of an assumed $735.0 million of indebtedness under a new senior secured credit facility. Interest expense also includes the impact of an interest rate hedge agreement covering 50% of the outstanding balance on the term loan. The interest rate applicable to the term loan is assumed to be LIBOR plus 175 basis points and the fixed rate on the hedge agreement is assumed to be LIBOR plus 40 basis points. If applicable interest rate margins were to increase by 0.125%, our annual interest cost would increase by $0.45 million net of the impact of the hedge agreement. For further

discussion of the new senior secured credit facility, please see "Financing Transaction." In addition, this adjustment includes interest expense related to the accretion of the discount on the liability to our founders under the Tax Receivable Agreement—see footnote 9 to the Unaudited Pro Forma Condensed Consolidated Balance Sheet.

8. Represents adjustments to reflect minority interest expense, net of income tax expense/(benefit) at an assumed rate of 40.0%, resulting from the founding members' ownership of approximately 59.5% of the NCM LLC common membership units outstanding immediately after this offering.

9. Represents adjustments necessary to reflect federal and state income taxes on the income allocated from NCM LLC to NCM Inc. The assumed tax rate is 40.0%.

10. Represents incremental pro forma costs related to the replacement of options to acquire common membership units of NCM LLC with options to acquire shares of common stock of NCM Inc. and the issuance of additional option shares and restricted stock as described in "Compensation Discussion and Analysis—Substitution of NCM LLC Options and Restricted Units." The additional equity based awards and, to a minor degree, the replacement options (which are accounted for as a modification under SFAS No. 123, "Share Based Payment") will result in incremental compensation charges as compared to historic amounts. The restricted stock compensation is based on the estimated fair value of the options, computed using the Black-Scholes option pricing model. All equity awards are subject to vesting provisions, and compensation expense is recognized over the vesting period. We also plan to grant options to acquire 218,000 shares of our common stock to our employees and 6,316 shares of restricted stock to our non-employee directors in connection with the completion of this offering. For these additional NCM Inc. options and restricted stock, NCM Inc. anticipates recording an additional $0.3 million of compensation expense per year over the vesting period which expense is not reflected in this pro forma financial information.

11. Basic earnings per share is calculated on the assumption that the estimated IPO shares of 38,000,000 plus the 358,977 shares of restricted stock to be issued are outstanding over the entire period. Diluted earnings per share is calculated assuming that (a) the unit option shares, as converted as described in "Compensation Discussion and Analysis—Substitution of NCM LLC Options and Restricted Units", are outstanding during periods corresponding to their original issuance date (after application of the treasury stock method), and (b) our founding members redeem all of their current NCM LLC common membership units in exchange for an aggregate of 55,850,951 shares of common stock.

Unaudited Pro Forma Condensed Consolidated Balance Sheet

As of September 28, 2006

		NCM LLC			Transaction Adjustments			
	NCM Inc.	Historical As of September 28, 2006	Historical Adjustments	Pro Forma	Debt and Equity	Use of Proceeds	Elimination	NCM Inc. Pro Forma As Adjusted
				($ in millions)				
Cash and Cash Equivalents	$ —	$ 4.6	$ —	$ 4.6	$ 674.3 [2]	(674.3)[5]		$ 4.6
						674.3 [5]		
					720.5 [3]	(686.3)[6]		
						(708.5)[7]		
Receivables, Net	—	51.9	—	51.9	—			51.9
Other Current Assets	—	1.1	—	1.1	—			1.1
Total Current Assets	—	57.6	—	57.6	1,394.8	(1,394.8)		57.6
Property and Equipment, Net	—	11.6	—	11.6	—			11.6
Investment in NCM LLC	—	—	—	—		674.3 [5]	(674.3)[8]	—
Other Assets	—	3.0	—	3.0	14.5 [3]	(2.3)[2]		15.2
Deferred Tax Assets	—	—	—	—		223.7 [9]		223.7
TOTAL ASSETS	$ —	$ 72.2	$ —	$ 72.2	$1,409.3	(499.1)	(674.3)	$ 308.1
Accounts Payable	$ —	$ 5.0	$ —	$ 5.0	$ —			$ 5.0
Amounts Due to Members	—	43.8	—	43.8	—			43.8
Accrued Expenses	—	8.0	—	8.0	—			8.0
Deferred Revenue	—	2.2	—	2.2	—			2.2
Total Current Liabilities	—	59.0	—	59.0	—			59.0
Long-term Borrowings	—	10.0	—	10.0	735.0 [3]	(10.0)[7]		735.0
Other Liabilities	—	1.1	—	1.1	(1.1)[4]			—
Tax Payable to Members	—	—	—	—		88.7 [9]		88.7
Total Liabilities	—	70.1	—	70.1	733.9	78.7		882.7
Stockholder's Equity / (Deficit)								
Members' Capital—Common Units		2.1	—	2.1	(10.1)[1]	(686.3)[6]	708.4[8]	—
						674.3 [5]		
						(688.4)[7]		
Members' Capital—Preferred Units		—	—	—	10.1 [1]	(10.1)[7]		—
Common Stock	—	—	—	—	0.4 [2]			0.4
Distributions in excess of Paid-in Capital	—	—	—	—	673.9 [2]	135.0 [9]	(1,382.7)[8]	(575.0)
					1.1 [4]	(2.3)[2]		
Members' / Stockholder's Equity / (Deficit)	—	2.1	—	2.1	675.4	(577.8)	(674.3)	(574.6)
TOTAL LIABILITIES AND DEFICIT	$ —	$ 72.2	$ —	$ 72.2	$1,409.3	$ (499.1)	$ (674.3)	$ 308.1

Notes to the Unaudited Pro Forma Condensed Consolidated Balance Sheet:

1. Represents the adjustments to reflect the recapitalization of NCM LLC pursuant to which (i) NCM LLC will split the number of outstanding common membership units so that a common membership unit can be acquired with the proceeds from the initial offering of one share of our common stock after underwriting discounts and commissions and offering expenses and (ii) existing members of NCM LLC will receive one common membership unit and one preferred membership unit in exchange for each outstanding common membership unit.
2. Represents the adjustments to reflect the net proceeds of this offering. The offering will result in (i) an increase in stockholder's equity of $674.3 million from the issuance of common stock at the estimated public offering price of $19.00 (the midpoint of the range set forth on the cover page of this prospectus), after deducting estimated underwriting discounts and commissions and estimated offering expenses of $8.0 million, $2.3 million of which had been incurred through September 28, 2006.
3. Reflects the adjustments related to the new senior secured credit facility under which NCM LLC will incur indebtedness (assumed to be $725.0 million on the new term loan facility and $10.0 million on the revolving credit facility, a total of $735.0 million), after deducting deferred financing fees of $14.5 million. For further discussion, see "Financing Transaction."
4. Represents the reclassification of the liability under NCM LLC's unit option plan to distributions in excess of paid-in capital for the replacement of the currently outstanding unit options with NCM Inc. stock options, which options are expected to qualify for equity accounting. The existing unit option plan contains provisions that, under certain circumstances, would require NCM LLC to redeem the intrinsic value of the options for cash. The substituted options for the common stock of NCM Inc. will not include terms that would allow the holders to redeem their options for cash.
5. Represents an investment of $674.3 million to acquire a 40.5% interest in NCM LLC.
6. Represents the payment of $686.3 million from NCM LLC to the founding members ($674.3 million of which will come from the proceeds NCM LLC receives from NCM Inc. and $12.0 million of which will come from the new term loan facility) in connection with the modification of the exhibitor services agreements, which will be accounted for as a special distribution because the acquisition of intangibles (such as contractual rights) from the founding members must be recorded as a distribution to the extent the payment exceeds the founding members' historical cost of intangibles.
7. With the proceeds from the senior secured credit facility, NCM LLC will repay $10.0 million outstanding as of September 28, 2006, under its existing credit facility and redeem all of the preferred membership units of the founding members in NCM LLC for an aggregate price of $698.5 million.
8. Reflects the adjustments related to the expected consolidation of NCM LLC by NCM Inc., including the classification of the minority interest of NCM LLC as a portion of NCM Inc.'s distributions in excess of paid-in-capital. NCM LLC will have negative members' equity because (i) the redemption of all of the preferred membership units will be for an amount in excess of total book value of members' equity prior to the redemption and (ii) the payment of the net proceeds from the sale of membership units by NCM LLC to the founding members in connection with the modification of the exhibitor services agreements, which will be treated as a distribution. NCM Inc., as managing member of NCM LLC, expects to consolidate NCM LLC under the provisions of EITF Consensus 04-5. We expect that NCM Inc. will consolidate NCM LLC. EITF Consensus 04-5 provides that a managing member is presumed to control, and therefore should consolidate, a limited liability company that is not a variable interest entity under FASB Interpretation No. 46(R). The presumption of control can be overcome if the other members can cause the liquidation of the limited liability company, remove the managing member without cause, or if the other members have substantive participating rights in decisions affecting the entity's ordinary course of business. The non-managing members will not have the ability to cause liquidation or to remove NCM Inc. as manager without cause.

We have assessed the various matters that would require a supermajority vote of the board of NCM Inc. and have concluded that these rights are “protective rights” under EITF Consensus 04-5, given that they address matters that are not expected to be addressed in directing and carrying out NCM LLC’s current business activities. Should a circumstance arise in the future under which the founding members become entitled to approve specific actions of NCM LLC as described under “Corporate History and Reorganization—Corporate Governance Matters”, NCM Inc. would no longer consolidate NCM LLC and instead would apply the equity method of accounting for its interest in NCM LLC.

9. As a result of the distributions made to the founding members in connection with the redemption of all of the preferred units and the payments made to the founding members in connection with the modification of the exhibitor services agreements, assets that are amortizable for federal income tax purposes, but not recognized under GAAP, will be created. NCM Inc. and the founding members will enter into a tax receivable agreement (see “Certain Relationships and Related Party Transactions—Transactions with Founding Members—Tax Receivable Agreement”) under which NCM Inc. will effectively make cash payments to the founding members in amounts equal to 90% of NCM Inc.’s actual tax benefit realized as a result of this amortization. NCM Inc. will record a deferred tax asset equal to the future tax benefits of the tax amortization, estimated at $223.7 million and a credit to a long-term payable of $201.3 million, which has been reflected at its discounted value of $88.7 million and a credit to distributions in excess of paid-in capital estimated at $135.0 million.

SELECTED HISTORICAL FINANCIAL AND OPERATING DATA

The following table sets forth our historical selected financial and operating data for the periods indicated.

The selected financial and operating data should be read together with the other information contained in this prospectus, including "Corporate History and Reorganization," "Financing Transaction," "Management's Discussion and Analysis of Financial Condition and Results of Operations," the audited historical financial statements and the notes thereto included elsewhere in this prospectus, and the unaudited historical interim consolidated financial statements and the notes thereto included elsewhere in this prospectus.

The statement of operations data for the nine months ended September 28, 2006, and the balance sheet data as of September 28, 2006, were derived from the audited financial statements of NCM LLC included elsewhere in this prospectus. The statement of operations data for the nine months and three months ended September 29, 2005 and the three months ended September 28, 2006 were derived from unaudited financial statements of NCM LLC included elsewhere in this prospectus. The statement of operations data for the nine months ended December 29, 2005 and September 28, 2006, and the balance sheet data as of December 29, 2005, were derived from the audited financial statements of NCM LLC included elsewhere in this prospectus. The statement of operations data for RCM for the three months ended March 31, 2005, and the years ended December 30, 2004, and January 1, 2004, and the balance sheet data as of December 30, 2004, were derived from the audited financial statements of RCM, which are included elsewhere in this prospectus. The statement of operations data for the period ended December 26, 2002 and the balance sheet data as of December 26, 2002, January 1, 2004 and March 31, 2005 were derived from the unaudited financial statements of RCM, which are not included in this prospectus. The balance sheet of NCN as of April 1, 2005 and the statement of operations data for NCN for the 14 weeks ended March 31, 2005 and the 38 weeks from April 2, 2004 through December 23, 2004 and the 53 weeks ended April 1, 2004, were derived from the audited financial statements of NCN, which are included elsewhere in this prospectus. The statement of operations data for the 53 weeks ended April 3, 2003 were derived from the unaudited financial statements of NCN, which are not included in this prospectus. We do not present results for the nine months ended September 28, 2006, on a comparative basis to the nine months ended September 29, 2005, due to the first quarter of 2005 not including any advertising inventory for the Cinemark screens and due to differences in the structure of circuit share expense, both of which limit comparability of revenue and expenses for such reporting periods. RCM was formed in April 2002 and therefore there is no information for RCM for time periods prior to 2002. We have included results for our joint predecessor NCN for comparable periods of time to those presented for our joint predecessor RCM. As a newly formed, nominally capitalized entity, we have had no operations to date and, therefore, the information below is presented only for NCM LLC and its predecessor companies.

These historical financial statements do not reflect what our results of operations and financial position would have been had we been a stand-alone, public company for the periods presented. Specifically, our historical results of operations do not give effect to the matters set forth below:

- the terms of our exhibitor services agreements, which differ from our prior contractual arrangements with our founding members and will have on going material significance to our results of operations, (i) assign legacy contracts to NCM LLC, (ii) make additional inventory of lobby promotions, CineMeetings and digital programming events available to NCM LLC on a pre-approved basis, (iii) make additional theatre advertising inventory available to NCM LLC, to sell such inventory at stated rates to the founding members in order for them to fulfill their on-screen advertising commitments to their beverage concessionaires, and (iv) change the formula for the calculation of the circuit share expense (known as the theatre access fee in the exhibitor services agreements as further described in "Certain Relationships and Related Party Transactions—Transactions with Founding Members—Exhibitor Services Agreements");
- adjustments to income tax provisions to account for our status as a taxable entity with an ownership interest in NCM LLC;

- the elimination of non-recurring restructuring charges at NCN relating to the formation of NCM LLC;
- the completion of the non-cash recapitalization of NCM LLC pursuant to which existing members of NCM LLC will receive one common membership unit and one preferred membership unit in exchange for each outstanding common membership unit;
- the completion of the financing transaction, pursuant to which the preferred membership units to be issued to the founding members in a non-cash recapitalization of NCM LLC will be redeemed from the proceeds of a term loan that is part of our new senior secured credit facility;
- the completion of the offering and the use of proceeds therefrom as set forth in this prospectus, including our acquisition of 40.5% of the common membership units in NCM LLC, which will be accounted for by our expected consolidation of NCM LLC; and
- the payment by NCM LLC of all of the proceeds it receives from us to our founding members for their agreeing to modify our payment obligations under our exhibitor services agreements.

	Predecessor—National Cinema Network, Inc.				Predecessor—Regal CineMedia Corporation				National CineMedia, LLC				
	Year Ended April 3, 2003	Year Ended April 1, 2004	Thirty-eight Week Period Ended December 23, 2004	Fourteen Week Period Ended March 31, 2005	Period Ended December 26, 2002	Year Ended January 1, 2004	Year Ended December 30, 2004	Three Months Ended March 31, 2005	Nine Months Ended December 29, 2005	Six Months Ended September 29, 2005	Nine Months Ended September 28, 2006	Three Months Ended September 29, 2005	Three Months Ended September 28, 2006
	($ in millions, except total advertising contract value per founding member attendee)												
Result of Operations Data													
Revenue:													
Advertising	$ 68.9	$ 69.9	$ 56.5	$ 15.5	$ 21.8	$ 65.2	$ 83.6	$ 15.6	$ 56.0	$ 24.8	$ 128.2	$ 15.8	$ 54.9
Administrative Fees—Members	—	—	—	—	—	—	—	—	30.8	23.2	4.3	10.4	0.8
Meetings and Events	—	—	—	—	2.7	7.0	11.5	2.1	11.7	6.1	12.5	2.4	4.8
Other	—	—	—	—	—	0.2	0.2	0.1	0.3	—	0.2	—	0.2
TOTAL REVENUE	68.9	69.9	56.5	15.5	24.5	72.4	95.3	17.8	98.8	54.1	145.2	28.6	60.7
Expenses:													
Advertising Operating Costs	18.7	17.9	11.3	3.5	2.8	4.4	3.7	0.9	6.3	3.9	6.0	1.7	2.2
Meetings/Events Operating Costs	—	—	—	—	0.6	2.1	3.9	0.8	5.4	2.4	4.5	0.9	1.5
Network Costs	0.8	1.6	2.3	1.1	1.8	5.0	8.1	2.4	9.2	5.7	10.5	2.9	3.5
Circuit Share/Theatre Access Fee —Members	14.6	18.7	18.6	5.5	10.5	15.3	16.6	2.4	38.6	16.8	88.6	10.6	38.0
Selling and Marketing	17.6	15.1	10.0	3.2	4.1	11.7	15.9	4.4	24.9	15.1	27.9	7.6	9.6
Administrative	13.1	9.5	6.1	1.9	6.7	10.3	10.8	3.4	9.8	6.2	11.4	3.4	4.1
Deferred Stock Compensation	—	—	—	—	1.0	1.4	1.4	0.3	—	—	—	—	—
Severance Plan Costs	—	—	—	—	—	—	—	—	8.5	6.1	3.4	2.4	0.7
Depreciation and Amortization	4.7	2.4	0.9	1.0	0.5	0.9	1.0	0.4	3.0	1.9	3.4	0.9	1.1
Other	0.1	1.4	—	0.8	—	—	—	—	—	—	0.4	—	0.4
TOTAL EXPENSES	69.6	66.6	49.2	17.0	28.0	51.1	61.4	15.0	105.7	58.1	156.1	30.4	61.1
Operating Income/ (Loss)	(0.7)	3.3	7.3	(1.5)	(3.5)	21.3	33.9	2.8	(6.9)	(4.0)	(10.9)	(1.8)	(0.4)
Interest Expense, Net	—	—	—	—	—	—	—	—	—	—	0.3	—	0.2
Income/(Loss) Before Income Taxes	(0.7)	3.3	7.3	(1.5)	(3.5)	21.3	33.9	2.8	(6.9)	(4.0)	(11.2)	(1.8)	(0.6)
Income Taxes	(0.3)	1.4	3.0	(0.6)	(1.4)	8.4	13.3	1.1	—	—	—	—	—
NET INCOME (LOSS)	$ (0.4)	$ 1.9	$ 4.3	$ (0.9)	$ (2.1)	$ 12.9	$ 20.6	$ 1.7	$ (6.9)	$ (4.0)	$ (11.2)	$ (1.8)	$ (0.6)
Other Financial Data													
EBITDA(1)	$ 4.0	$ 5.7	$ 8.2	$ (0.5)	$ (3.0)	$ 22.2	$ 34.9	$ 3.2	$ (3.9)	$ (2.1)	$ (7.5)	$ (0.9)	$ 0.7
Adjusted EBITDA(1)	$ 4.0	5.7	8.2	(0.5)	(2.0)	23.6	36.3	3.5	4.6	4.0	(3.0)	1.5	2.2
Adjusted EBITDA Margin(1)	5.8%	8.2%	14.5%	NM	NM	32.6%	38.1%	19.7%	4.7%	7.4%	NM	5.2%	3.6%
Capital Expenditures	$ 1.4	$ 0.1	$ —	$ —	$ 2.6	$ 1.3	$ 2.7	$ 1.4	$ 5.9	$ 3.1	$ 4.3	$ 1.8	$ 1.9

	Predecessor—National Cinema Network, Inc.				Predecessor—Regal CineMedia Corporation				National CineMedia, LLC				
	Year Ended April 3, 2003	Year Ended April 1, 2004	Thirty-eight Week Period Ended December 23, 2004	Fourteen Week Period Ended March 31, 2005	Period Ended December 26, 2002	Year Ended January 1, 2004	Year Ended December 30, 2004	Three Months Ended March 31, 2005	Nine Months Ended December 29, 2005	Six Months Ended September 29, 2005	Nine Months Ended September 28, 2006	Three Months Ended September 29, 2005	Three Months Ended September 28, 2006
	($ in millions, except advertising contract value per founding member attendee)												
Operating Data													
Founding Member Screens at Period End(2)	3,152	3,168	3,170	3,144	5,663	6,045	6,273	6,258	9,696	9,693	12,039	9,693	12,039
Total Screens at Period End(3)	7,711	7,297	5,026	5,001	5,663	6,045	6,565	6,550	10,766	10,763	12,973	10,673	12,973
Digital Screens at Period End(4)	162	1,173	2,523	2,523	1,765	4,584	5,303	5,674	8,713	8,426	11,077	8,426	11,077
Total Advertising Contract Value	$ 68.9	$ 69.9	$ 56.5	$ 15.5	$ 21.8	$ 65.2	$ 83.6	$ 15.6	$ 144.0	$ 91.1	$ 141.6	$ 45.5	$ 57.4
Founding Member Attendance for Period (in millions)(5)	166.7	163.3	118.5	41.5	210.0	265.6	253.8	58.6	299.3	197.9	384.4	98.1	131.8
Total Advertising Contract Value per Founding Member Attendee(6)	$ 0.41	$ 0.43	$ 0.48	$ 0.37	$ 0.10	$ 0.25	$ 0.33	$ 0.27	$ 0.48	$ 0.46	$ 0.37	$ 0.46	$ 0.44

	Predecessor—National Cinema Network, Inc.				Predecessor—Regal CineMedia Corporation				National CineMedia, LLC	
	As of April 3, 2003	As of April 1, 2004	As of December 23, 2004	As of March 31, 2005	As of December 26, 2002	As of January 1, 2004	As of December 30, 2004	As of March 31, 2005	As of December 29, 2005	As of September 28, 2006
					($ in millions)					
Balance Sheet Data										
Receivables, Net	$ 13.4	$ 14.4	$ 26.2	$ 20.1	$ 10.0	$ 20.6	$ 28.8	$ 15.8	$ 36.6	$ 51.9
Property and Equipment, Net	3.8	2.0	0.7	0.7	2.1	2.5	4.2	5.2	10.0	11.6
Total Assets	20.4	18.2	27.8	60.8	13.0	28.0	49.4	48.2	48.8	72.2
Borrowings	—	—	—	—	0.0	0.0	0.0	0.0	1.3	10.0
Members'/Stockholder's equity	(0.6)	1.3	5.6	0.1	6.0	18.9	39.5	41.2	9.8	2.1

Notes to the Selected Historical Financial and Operating Data

1. EBITDA, adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures used by management to measure operating performance. EBITDA represents net income (loss) before net interest expense, income tax provision (benefit), and depreciation and amortization expense. Adjusted EBITDA excludes from EBITDA severance plan costs, non-cash unit based costs and deferred stock compensation. Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by total revenue. EBITDA and adjusted EBITDA do not reflect the Loews payments discussed in the following paragraph, which after this offering will be included in the calculation of adjusted EBITDA to determine our compliance with financial covenants under our new senior secured credit facility. See "Financing Transaction."

On January 26, 2006, AMC completed the acquisition of Loews. Loews has a pre-existing contract with another cinema advertising provider through May 31, 2008. Therefore, the Loews screens will become part of our national theatre network on an exclusive basis beginning on June 1, 2008 (subject to the run-out of certain pre-existing contractual obligations for on-screen advertising existing on May 31, 2008). In accordance with a Loews screen integration agreement between us and AMC, AMC will pay us an amount that approximates the EBITDA we would have generated if we were able to sell advertising in the Loews theatre chain on an exclusive basis. Effective as of January 5, 2007, NCM LLC re-allocated the common membership units in NCM LLC among the founding members to reflect the payments to be made by AMC pursuant to the terms of the Loews screen integration agreement. The number of common membership units allocated to AMC was calculated by multiplying the total number of NCM LLC common membership units outstanding by a ratio of theatre screens and patrons at Loews theatres compared to the total number of theatre screens and patrons at all founding members' theatres. These Loews payments will be made on a quarterly basis in arrears until May 31, 2008 and will be recorded directly to our members' equity accounts and it will not be reflected in NCM LLC's statements of operations. For the three months ended September 28, 2006 the Loews payment would have been $2.5 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Company Following the Completion of this Offering—Loews Payments" for additional discussion regarding the Loews payments.

We have included EBITDA, adjusted EBITDA and adjusted EBITDA margin in this prospectus to provide investors with supplemental measures of our operating performance and information about the calculation of some of the financial covenants that will be contained in our new senior secured credit facility. We believe EBITDA, adjusted EBITDA and adjusted EBITDA margin are important supplemental measures of operating performance because they eliminate items that have less bearing on our operating performance and so highlight trends in our core business that may not otherwise be apparent when relying solely on generally accepted accounting principles, or GAAP, financial measures. We also believe that securities analysts, investors and other interested parties frequently use EBITDA, adjusted EBITDA and adjusted EBITDA margin in the evaluation of issuers, many of which present EBITDA, adjusted EBITDA and adjusted EBITDA margin when reporting their results. Also, because of the significant changes in our operating results that will result from our acquisition of an interest in NCM LLC, the changes in the exhibitor services agreements and the financing transaction, we disclose pro forma EBITDA, adjusted EBITDA and adjusted EBITDA margin in this prospectus.

Adjusted EBITDA including the Loews payments is a material component of the covenants that will be imposed on us by the new senior secured credit facility. Under the new senior secured credit facility, we will be subject to financial covenant ratios that will be calculated by reference to adjusted EBITDA including the Loews payments. Non-compliance with the financial covenants contained in the senior secured credit facility could result in a default, an acceleration in the repayment of amounts outstanding and a termination of the lending commitments under the senior secured credit facility. For a description of required financial covenant levels and actual ratio calculations based on adjusted EBITDA including the Loews payments, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Company Following the Completion of this Offering—Loews Payments."

EBITDA, adjusted EBITDA and adjusted EBITDA margin are not presentations made in accordance with GAAP. As discussed above, we believe that the presentation of EBITDA, adjusted EBITDA and adjusted EBITDA margin in this prospectus is appropriate. However, when evaluating our results, you should not consider EBITDA, adjusted EBITDA and adjusted EBITDA margin in isolation of, or as a substitute for, measures of our financial performance as determined in accordance with GAAP, such as net income (loss). EBITDA, adjusted EBITDA and adjusted EBITDA margin have material limitations as performance measures because they exclude items that are necessary elements of our costs and operations. Because other companies may calculate EBITDA, adjusted EBITDA and adjusted EBITDA margin differently than we do, EBITDA, adjusted EBITDA and adjusted EBITDA margin may not be comparable to similarly-titled measures reported by other companies.

The following table reconciles net income (loss) to EBITDA, adjusted EBITDA and adjusted EBITDA margin for the periods presented:

	Predecessor—National Cinema Network, Inc.				Predecessor—Regal CineMedia Corporation				National CineMedia, LLC			
	Year Ended April 3, 2003	Year Ended April 1, 2004	Thirty-eight Week Period Ended December 23, 2004	Fourteen Week Period Ended March 31, 2005	Period Ended December 26, 2002	Year Ended January 1, 2004	Year Ended December 30, 2004	Three Months Ended March 31, 2005	Nine Months Ended December 29, 2005	Nine Months Ended September 28, 2006	Three Months Ended September 29, 2005	Three Months Ended September 28, 2006
							($ in millions)					
Net Income (Loss)	$ (0.4)	$ 1.9	$ 4.3	$ (0.9)	$ (2.1)	$ 12.9	$ 20.6	$ 1.7	$ (6.9)	$ (11.2)	$ (1.8)	$ (0.6)
Income Taxes	(0.3)	1.4	3.0	(0.6)	(1.4)	8.4	13.3	1.1	—	—	—	—
Interest Expense, Net	—	—	—	—	—	—	—	—	—	0.3	—	0.2
Depreciation and Amortization	4.7	2.4	0.9	1.0	0.5	0.9	1.0	0.4	3.0	3.4	0.9	1.1
EBITDA	$ 4.0	$ 5.7	$ 8.2	$ (0.5)	$ (3.0)	$ 22.2	$ 34.9	$ 3.2	$ (3.9)	$ (7.5)	$ (0.9)	$ 0.7
Severance Plan Costs	—	—	—	—	—	—	—	—	8.5	3.4	2.4	0.7
Share-based Compensation	—	—	—	—	—	—	—	—	—	1.1	—	0.8
Deferred Stock Compensation	—	—	—	—	1.0	1.4	1.4	0.3	—	—	—	—
Adjusted EBITDA	$ 4.0	$ 5.7	$ 8.2	$ (0.5)	$ (2.0)	$ 23.6	$ 36.3	$ 3.5	$ 4.6	$ (3.0)	$ 1.5	$ 2.2
Adjusted EBITDA Margin*	5.8%	8.2%	14.5%	NM	NM	32.6%	38.1%	19.7%	4.7%	NM	5.2%	3.6%

* *Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by total revenue.*

2. Represents the total number of screens within our advertising network operated by our founding members. Excludes Loews and Century screens for all periods presented.

3. Represents the sum of founding member screens and network affiliate screens.

4. Represents the total number of screens which are connected to our digital content network.

5. Represents the total attendance within our advertising network in theatres operated by our founding members. Excludes Loews and Century screens for all periods presented. The Loews and Century total attendance for the three and nine months ended September 28, 2006 were approximately 16.2 million and 12.5 million, and 48.5 million and 36.9 million, respectively.

6. Includes advertising revenue plus legacy contract value for all historical periods. Excludes $3.7 million of revenue related to the beverage concessionaire agreements for Cinemark in the pro forma period ended December 29, 2005, and $1.3 million and $3.8 million of revenue related to the beverage concessionaire agreements for Loews in the pro forma three and nine months ended September 28, 2006, as attendees for Cinemark and Loews were not included during those periods.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our historical financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that are subject to known and unknown risks and uncertainties. Actual results and the timing of events may differ significantly from those expressed or implied in such forward-looking statements due to a number of factors, including those set forth in the section entitled "Risk Factors" and elsewhere in this prospectus.

Our historical financial data discussed below reflects the historical results of operations and financial position of NCM LLC. Accordingly, the historical financial data does not give effect to the reorganization, the completion of this offering and the financing transaction. See "Corporate History and Reorganization," "Financing Transaction" and "Unaudited Pro Forma Financial Information" included elsewhere in this prospectus.

Overview

Our revenue is principally derived from the sale of advertising and, to a lesser extent, from our CineMeetings and digital programming events businesses. Upon completion of this offering, we will have long-term exhibitor services agreements with our founding members—AMC, Cinemark and Regal, the three largest motion picture exhibition companies in the United States—and multi-year agreements with several other theatre operators that provide access to their theatres to distribute our content, whom we refer to as network affiliates. The exhibitor services agreements grant us exclusive rights, subject to limited exceptions, to sell advertising and meeting services and distribute entertainment programming in those theatres using our digital content network technology. The network affiliate agreements grant us exclusive rights, subject to limited exceptions, to sell advertising on their theatre screens. Most of our advertising, CineMeetings and digital programming events are distributed to these theatres over our proprietary digital content network.

Our national on-screen and lobby entertainment network advertising contracts with clients typically specify the number of theatre attendees, or impressions, to be delivered for a four- or five-week advertising campaign and the unit price per thousand impressions, or CPM, for a 30-second advertising unit. Our regional and local on-screen advertising contracts with clients typically specify the number of screens, duration of time (typically one to several weeks) and the unit price (typically a cost per screen per week) for an advertising campaign. Typically there are a minimum of 11 national 30-second advertising units and a minimum of 14 local 15-second units available in any advertising campaign within the *FirstLook* pre-feature program. The number of national or local units can be expanded to a certain extent depending on market demand. Programming on our lobby entertainment network consists of an approximately 30 minute loop of content segments and advertising. Our lobby promotions contracts are based on a standardized rate card for each product that typically specifies the number of impressions to be delivered. Our CineMeetings revenue is derived from the rental of theatre auditoriums, and the provision of catering services and network and audio visual services that are sold as part of our meeting and event services. Our digital programming revenue is derived from the sale of tickets to the general public for music, sporting and other entertainment events and the sale of event sponsorships for an individual event or a series of events.

Our advertising rates are generally based on either contracts with our content partners and other advertisers or are driven by the demand in the advertising marketplace, including television and other segments of national, regional and local advertising. Our national on-screen CPMs vary by the time of year and the placement within our pre-feature program. Our founding members and certain of our network affiliates report to us each theatre's attendance by film and film rating category on a weekly or monthly basis. The number of people in the auditorium at the time an advertisement is presented is based on the exhibitor's attendance reports. We calculate the number of impressions delivered against advertising contracts by multiplying the attendance data received from the exhibitors by the number of patrons in their seat at a given time prior to the advertised show time. The percentage is based on independent third-party research. If, during any contract period we under-deliver the number of contracted impressions, we will be obligated to either provide "make-good" advertising units in a

subsequent period (and defer the recognition of the related revenue) or refund a pro rata portion of the contract amount in cash to the client. Historically, in the majority of cases, clients have asked us to "make-good" rather than to refund cash.

To monitor our national advertising business, our management team typically reviews the average CPMs per 30-second units sold within the *FirstLook* pre-feature program or lobby entertainment network and the percentage of impressions sold of total available impressions as a measure of inventory utilization. We also monitor the local and regional average rates per screen per week and number of units sold per theatre. Our primary management metrics for the CineMeetings business include the number of events and the revenue per event location. To monitor our digital programming events business revenue, we typically track the number of tickets sold, average ticket prices, revenue per location and events per given period. EBITDA, adjusted EBITDA and adjusted EBITDA margin are also measures used by management to measure operating performance.

The significant expenses associated with our business historically have included (i) selling and marketing expenses, (ii) network operations and maintenance costs, (iii) advertising and event costs, (iv) administrative costs and (v) "circuit share" expenses to our founding members under the current agreements with our founding members. Our selling and marketing expenses include the base salaries and commissions of our advertising sales staff and expenses associated with marketing, public relations and research departments. Network operations and maintenance costs relate to the personnel and other costs associated with our content production and post-production activities, costs associated with operating our network operations center, satellite bandwidth costs and maintenance of the network software and hardware. Advertising and event costs relate primarily to production and fulfillment of non-digital advertising and payments based on a sharing of revenue with our network affiliates and the direct costs associated with CineMeetings and digital programming events. Circuit share payments are the payments made to our founding members for the right to provide our services in their theatres using our digital content network and prior to this offering have represented substantially all of our earnings before interest, income taxes, depreciation and amortization, or EBITDA. Our administrative costs primarily consist of salaries and bonuses for our administrative staff and occupancy costs. In connection with the completion of this offering, we will enter into 30-year exhibitor services agreements (with a right of first refusal, which begins one year prior to the end of the term of the agreement) with each of our founding members. The exhibitor services agreements will provide for the payment of a theatre access fee, in lieu of circuit share expense, comprised of a payment per theatre attendee and a payment per digital screen, both of which escalate over time, but which are expected to result in significantly lower payments as a percentage of our revenue than have been required historically.

Our operating results may be affected by a variety of internal and external factors and trends described more fully below:

- *Pre-feature show content.* We have sought to make our *FirstLook* pre-show both entertaining for theatre audiences and an effective advertising platform for our clients. If the theatre audiences or advertisers do not respond as we anticipate to our pre-feature show format or content, our advertising revenue could be adversely affected.
- *Trends in advertising.* As advertisers continue to shift spending to non-traditional, targeted media platforms from traditional media such as television, newspapers and billboards, our advertising business could benefit from this trend.
- *Theatre attendance.* Theatre attendance depends to a significant degree on the quality of the motion pictures distributed by the movie studios to the film exhibitors as well as the development of other distribution platforms. Although theatre attendance declined from 2001 to 2005, during this time, cinema advertising revenue significantly increased as a result of better visibility of the medium and the use of digital technology, which enhanced the reach and overall value proposition of cinema advertising. However, as cinema advertising matures, this trend may not continue and our revenue growth rates may decline as theatre attendance declines.
- *Addition of theatres.* As theatres are added to our digital in-theatre network (either as our founding members acquire theatres such as in the case of the Century acquisition or as we add new network

affiliates), due to the scalable nature of our business, we expect our revenue to increase with minimal additional capital or operating expenditures.

- *Growth of our meetings and digital programming businesses.* Our ability to grow our meetings and digital programming businesses depends on our success in growing our customers' awareness of these services through effective marketing.

We have a 52-week or 53-week fiscal year ending on the first Thursday after December 25. Fiscal years 2004, 2005 and 2006 contained 52 weeks, while fiscal year 2003 contained 53 weeks. Throughout this prospectus, we refer to our fiscal years as set forth below:

Fiscal Year Ended	Reference in this Prospectus
December 28, 2006	2006
December 29, 2005	2005
December 30, 2004	2004
January 1, 2004	2003

Our Company Following the Completion of this Offering

Prior to the completion of this offering, NCM LLC has been wholly-owned by our founding members. In connection with this offering, we will purchase newly issued common membership units from NCM LLC and will become a member and the sole manager of NCM LLC. We intend to enter into several agreements to effect the reorganization and the financing transaction and to define and regulate the relationships among NCM LLC and the founding members after the completion of these transactions. For more information about the agreements discussed below and the other agreements between us, NCM LLC and the founding members, see "Certain Relationships and Related Party Transactions—Transactions with Founding Members."

Exhibitor Services Agreements

The exhibitor services agreements that we and the founding members will enter into in connection with this offering will significantly change the structure of NCM LLC's payments to the founding members. Under the current contractual arrangements, NCM LLC makes quarterly circuit share payments to the founding members based on varying percentages of advertising revenue. Under the exhibitor services agreements, we will make monthly theatre access fee payments to the founding members, comprised of a payment per theatre attendee of $0.07 which will increase by 8% every five years with the first such increase taking effect after the end of fiscal 2011 and a payment per digital screen of $66.67 which will increase 5% per year beginning at the end of fiscal 2007. These payments will be adjusted for any advertising exhibited by some, but not all, theatres or founding members because of content objections or technical capacity. The theatre access fee paid in the aggregate to all founding members annually will not be less than 12% of NCM LLC's aggregate annual advertising revenue as defined in the exhibitor services agreements, or it will be adjusted upward to reach this minimum payment. The theatre access fee will replace the current circuit share expenses, which will significantly reduce the contractual amounts paid to our founding members from the historical amounts. Also, under the modified exhibitor services agreements, NCM LLC revenue will increase significantly due to the payments from the founding members for the display of up to 90 seconds of on-screen advertising under beverage concessionaire agreements at an agreed upon rate. For more information on the exhibitor services agreements, see "Certain Relationships and Related Party Transactions—Transactions with Founding Members—Exhibitor Services Agreements."

Loews Payments

On January 26, 2006, AMC acquired the Loews theatre circuit. The Loews screen integration agreement, effective as of January 5, 2007, between NCM LLC and AMC in connection with this offering, commits AMC to cause the theatres it acquired from Loews to participate in the exhibitor services agreements beginning on June 1,

2008. These U.S.-based Loews screens will become part of our national advertising network on an exclusive basis beginning on June 1, 2008, following the expiration of Loews' pre-existing contract with another cinema advertising provider. The Loews theatres will be subject to the following limitations: (i) during the period beginning on June 1, 2008 through November 30, 2008, the run-out of on-screen advertising and entertainment content and (ii) during the period beginning on December 1, 2008 through February 28, 2009, the right of the prior advertising provider to up to one minute of advertising during the pre-feature show, in each case, for pre-existing contractual obligations that exist on May 31, 2008. In accordance with a Loews screen integration agreement between us and AMC, which will be amended and restated in connection with this offering, AMC will pay us an amount that approximates the EBITDA we would have generated if we were able to sell advertising in the Loews theatre chain on an exclusive basis. Effective as of January 5, 2007, NCM LLC re-allocated the common membership units in NCM LLC among the founding members to reflect the payments to be made by AMC pursuant to the terms of the Loews screen integration agreement. The number of common membership units allocated to AMC was calculated by multiplying the total number of NCM LLC common membership units outstanding by a ratio of theatre screens and patrons at Loews theatres compared to the total number of theatre screens and patrons at all founding member theatres. These Loews payments will be made on a quarterly basis in arrears until May 31, 2008 and for the three months ended September 28, 2006, would have been $2.5 million. The payments, for accounting purposes, will be recorded directly to our members' equity accounts and will not be reflected in NCM LLC's statements of operations.

Debt Financings

In connection with entering into the senior secured credit facility under which NCM LLC will borrow $805.0 million, as discussed in "—Financial Condition and Liquidity—Financings—New senior secured credit facility." NCM LLC expects interest expense to increase significantly based on the outstanding level of the facility as compared to our historical borrowing levels.

Other

Subsequent to the completion of the offering, we expect administrative costs to increase by approximately $2.5 to $3.0 million compared to expenses incurred as a private company. These incremental costs include regulatory filing and compliance costs, salaries and benefits costs for additional staffing, additional insurance costs and costs of investor relations.

Basis of Presentation

Our historical financial information discussed herein has been derived from the financial statements and accounting records of NCM LLC for the nine months ended December 29, 2005, the three and nine months ended September 28, 2006, and the three months ended September 29, 2005, from the financial statements and accounting records of our joint predecessor company RCM for the fiscal years ended January 1, 2004 and December 30, 2004 and for the three months ended March 31, 2005 and from the financial statements and accounting records of our joint predecessor company NCN for the fiscal year ended April 1, 2004, the thirty-eight week period ended December 23, 2004 and the fourteen week period ended March 31, 2005.

Results of Operations

The following table summarizes our historical results of operations and the results of operations of RCM:

	Predecessor-National Cinema Network, Inc.			Predecessor-Regal CineMedia Corporation			National CineMedia, LLC			
				Years Ended					Three Months Ended	
	Year Ended April 1, 2004	Thirty-eight Week Period Ended December 23, 2004	Fourteen Week Period Ended March 31, 2005	January 1, 2004	December 30, 2004	Three Months Ended March 31, 2005	Nine Months Ended December 29, 2005	Nine Months Ended September 28, 2006	September 29, 2005	September 28, 2006
						($ in millions)				
Revenue:										
Advertising	$ 69.9	$ 56.5	$ 15.5	$ 65.2	$ 83.6	$ 15.6	$ 56.0	$ 128.2	$ 15.8	$ 54.9
Administrative Fees—Members	—	—	—	—	—	—	30.8	4.3	10.4	0.8
Meetings and Events	—	—	—	7.0	11.5	2.1	11.7	12.5	2.4	4.8
Other	—	—	—	0.2	0.2	0.1	0.3	0.2	—	0.2
TOTAL REVENUE	69.9	56.5	15.5	72.4	95.3	17.8	98.8	145.2	28.6	60.7
Expenses:										
Operating Costs	19.5	13.6	4.6	11.5	15.7	4.1	20.9	21.4	5.5	7.6
Selling and Marketing Costs	15.1	10.0	3.2	11.7	15.9	4.4	24.9	27.9	7.6	9.6
Circuit Share Costs—Members	18.7	18.6	5.5	15.3	16.6	2.4	38.6	88.6	10.6	38.0
Administrative Costs	10.9	6.1	2.7	10.3	10.8	3.4	9.8	11.4	3.4	4.1
Deferred Stock Compensation and Severance Plan Costs	—	—	—	1.4	1.4	0.3	8.5	3.4	2.4	0.7
Depreciation and Amortization	2.4	0.9	1.0	0.9	1.0	0.4	3.0	3.4	0.9	1.1
TOTAL EXPENSES	66.6	49.2	17.0	51.1	61.4	15.0	105.7	156.1	30.4	61.1
Operating Income (Loss)	3.3	7.3	(1.5)	21.3	33.9	2.8	(6.9)	(10.9)	(1.8)	(0.4)
Interest Expense, Net	—	—	—	—	—	—	—	0.3	—	0.2
Income/(Loss) Before Income Taxes	3.3	7.3	(1.5)	21.3	33.9	2.8	(6.9)	(11.2)	(1.8)	(0.6)
Income Taxes	1.4	3.0	(0.6)	8.4	13.3	1.1	—	—	—	—
NET INCOME (LOSS)	$ 1.9	$ 4.3	$ (0.9)	$ 12.9	$ 20.6	$ 1.7	$ (6.9)	$ (11.2)	$ (1.8)	$ (0.6)

Factors Affecting Comparability of Results of Operations

Our joint predecessor company, RCM, provided advertising services to the Regal theatre circuit during fiscal 2002, 2003, 2004, and the first quarter of fiscal 2005. Additionally, beginning in October 2004, RCM provided advertising services to one network affiliate. Our joint predecessor company, NCN, provided advertising services to the AMC theatre circuits and various network affiliates during its fiscal or other periods ended 2003, 2004, 2005 and the first quarter of fiscal 2005.

NCM LLC was formed on March 29, 2005, by AMC and Regal as a joint venture that combined the cinema advertising and meetings and events operations of Regal's subsidiary, RCM, and the cinema advertising operations of AMC's subsidiary, NCN. On July 15, 2005, Cinemark joined NCM LLC as a founding member. Upon becoming a member of NCM LLC, each founding member entered into an exhibitor services agreement with NCM LLC, which will remain in effect until the founding members enter into new exhibitor services agreements upon the completion of this offering. Because Cinemark had a pre-existing contract with another cinema advertising provider, NCM LLC began selling advertising for Cinemark's screens on an exclusive basis beginning on January 1, 2006, subject to the run-out of certain pre-existing contractual obligations for on-screen advertising through April 1, 2006. By May 2006, all of Cinemark's digital screens were connected to our digital content network.

In addition to the impact on comparability of the addition of the Cinemark screens during 2006, comparability of NCM LLC's results between 2006 and 2005, and comparability of NCM LLC's 2005 results with those of its predecessors is limited by the fact that NCM LLC began operations April 1, 2005. Thus, it had only six months of operations for the period ended September 29, 2005, and direct comparison to the year-to-date results for the nine-month period ended September 28, 2006 is not possible.

Because of NCM LLC's formation date, there are no comparable full year periods available, except for those of each of our predecessor entities, for which it is possible to compare RCM's calendar year 2004 results to those of 2003, and NCN's fiscal year 2005 results to those of 2004.

On October 5, 2006, Cinemark completed the acquisition of the Century theatre circuit and the Century screens have been added to our network on an exclusive basis upon completion of the acquisition. The addition of the Century theatre network will affect the comparability of future results.

At our formation, each of AMC and Regal retained their pre-existing advertising contracts and we administered those contracts on behalf of those founding members for an administrative fee equal to 35% of total revenue through December 29, 2005 and 32% thereafter. Over time as these "legacy" advertising contracts were fulfilled and we entered into new contracts directly with advertisers, the administrative fees declined and our advertising revenue increased. The total underlying legacy contract value was approximately equal to our administrative fees during that period divided by the appropriate administrative fee percentage. Therefore, we believe the most meaningful metric to ascertain the growth of our advertising revenue among all historical periods presented is the total amount of our advertising revenue plus the legacy contract value. We also refer to total advertising contract value, divided by the total number of founding member attendees as total advertising contract value per founding member attendee. We believe this metric is helpful to analyze advertising revenue performance across our reporting periods, and provides a measure of revenue which is independent of the number of theatres in our network for which advertising services are being provided.

The increases in the size of the network, as well as differences in the structure of circuit share expense, limit the comparability of operating expenses for all reporting periods except for fiscal 2004 and fiscal 2003 and comparisons of each joint predecessor to its own operations. Therefore, certain components of operating expenses, including selling and marketing, administrative, and depreciation expense, will be analyzed on the basis of cost per founding member attendee. Deferred stock compensation and severance plan costs are not generally related to the number of founding member attendees. Deferred stock compensation expense was
recorded by RCM and relates to Regal stock option grants made to RCM employees. At the time of the formation

of NCM LLC, remaining unvested in-the-money Regal stock option grants were converted to a series of cash payments to each option grantee, subject to a continuation of employment requirement, and have been accounted for as an expense by NCM LLC. These costs declined from $2.4 million during the three months ended September 29, 2005 to $0.7 million during the three months ended September 28, 2006, and will continue to decline as the participants in the severance plan receive their final payments.

Circuit share expense is currently recorded as a percentage of revenue based upon the exhibitor services agreements between NCM LLC and the founding members. Before the formation of NCM LLC, when RCM operated as a stand-alone entity, payments were made to RCM's parent, Regal, through inter-company transfers which are described as circuit share expense in the table above. The circuit share expense for NCN prior to the formation of RCM represents payments made by NCN to other theatre circuits under agreements to display advertising at their theatres. Upon the completion of this offering, the circuit share expense currently paid by NCM LLC to the founding members will be converted to a theatre access fee calculated as described above in connection with the amendment and restatement of the exhibitor services agreements. Since circuit share expense is a significant portion of operating expenses, it is discussed as a separate category in the Results of Operations discussion below.

The following table presents total advertising contract value and operating expenses per founding member attendee for the periods presented, which will be discussed further below.

	Predecessor-National Cinema Network, Inc.			Predecessor-Regal CineMedia Corporation			National CineMedia, LLC				
				Years Ended		Three Months Ended		Nine Months Ended		Three Months Ended	
	Year Ended April 1, 2004	Thirty-eight Week Period Ended December 23, 2004	Fourteen Week Period Ended March 31, 2005	January 1, 2004	December 30, 2004	March 31, 2005	Nine Months Ended December 29, 2005	September 29, 2005	September 28, 2006	September 29, 2005	September 28, 2006
Total Advertising Contract Value ($ in millions)	$ 69.9	$ 56.5	$ 15.5	$ 65.2	$ 83.6	$ 15.6	$ 144.0	$ 106.7	$ 141.6	$ 45.5	$ 57.4
Total Advertising Contract Value per Founding Member Attendee	$ 0.43	$ 0.48	$ 0.37	$ 0.25	$ 0.33	$ 0.27	$ 0.48	$ 0.42	$ 0.37	$ 0.46	$ 0.44
Total Operating Expenses per Founding Member Attendee	$ 0.29	$ 0.26	$ 0.28	$ 0.13	$ 0.17	$ 0.21	$ 0.20	$ 0.19	$ 0.17	$ 0.18	$ 0.17

Results of Operations

Three months ended September 28, 2006 and September 29, 2005

Revenue. Total revenue increased from $28.6 million during the three months ended September 29, 2005 to $60.7 million during the three months ended September 28, 2006, an increase of $32.1 million, or 112.2%. This increase was the result of a combination of higher national advertising CPMs, which increased by 2%, and an increase in founding member screens of 2,346, or 24%, primarily due to the addition of Cinemark, as well as a decrease in legacy contract revenue of $27.4 million, or 92% (which was then available to be contracted directly with the advertisers by NCM LLC thereby increasing our revenue), and a 100% increase in CineMeetings revenue due to an increase in event count of 26% and due to the variable nature of the revenue generated by each

event. Total advertising contract value increased from $45.5 million during the three months ended September 29, 2005 to $57.4 million during the three months ended September 28, 2006, an increase of $11.9 million, or 26.2%. This increase was primarily a result of higher national advertising CPMs and an increase in founding member screens. Total advertising contract value per founding member attendee decreased from $0.46 during the three months ended September 29, 2005 to $0.44 during the three months ended September 28, 2006, a decrease of $0.02, or 4.4%. This decrease was primarily due to the addition of Cinemark as a founding member and the absorption of those additional screens into our sales process, offset by higher national advertising CPMs.

Operating expenses. Total operating expenses increased from $17.4 million during the three months ended September 29, 2005 to $22.4 million during the three months ended September 28, 2006, an increase of $5.0 million, or 28.7%. This increase was due to a combination of costs associated with an increase in founding member screens of 2,346, or 24%, primarily due to the addition of the Cinemark screens to our network, and increased affiliate and sales commission expense of $1.0 million, or 34%, related to higher revenue, as well as increased administrative expenses of $0.7 million, or 21%, due to additional staffing and infrastructure to support the growth of NCM LLC. Total operating expenses per founding member attendee decreased from $0.18 during the three months ended September 29, 2005 to $0.17 during the three months ended September 28, 2006, a decrease of $0.01, or 5.6%. This decrease was primarily due to the better absorption of fixed operating expenses on the additional Cinemark theatres.

Circuit share expense. Circuit share expense increased from $10.6 million for the three months ended September 29, 2005 to $38.0 million for the three months ended September 28, 2006, an increase of $27.4 million, or 258.5%. The increase in circuit share expense was primarily due to the increase in levels of revenue during the period, as discussed above, and to a lesser extent, due to the change in the structure of the circuit share agreement which increased the circuit share rate from 65% in 2005 to 68% in 2006. The increase in circuit share expense as a percentage of total revenue to 63% for the three months ended September 28, 2006 from 37% for the three months ended September 29, 2005 is due to changes in the percentage of the circuit share expense, as well as a decline in legacy revenue, which decreased administrative fee revenue but increased circuit share expense. As noted above, upon completion of this offering, the circuit share expense currently paid to the founding members will be converted to a theatre access fee, which is expected to result in significantly lower expense.

Net income (loss). Net loss decreased from $1.8 million during the three months ended September 29, 2005 to $0.6 million during the three months ended September 28, 2006, a decrease of $1.2 million, or 66.7%. Higher total revenue was offset by an increase in expenses as noted above including staffing and infrastructure to support current and anticipated future growth by NCM LLC, and an increase in the percentage of circuit share costs as a percentage of total revenue, as discussed above. The decrease in the net loss is primarily due to the decrease in the level of deferred stock compensation and severance plan compensation costs of $1.7 million or 71%, offset slightly by increases in expenses as noted above, which decreased due to the change in the plan between years.

Nine months ended September 28, 2006 and September 29, 2005

For purposes of this analysis, the nine month period ended September 29, 2005 includes revenue, total advertising contract value, operating expenses, circuit share expense and net income (loss) of our joint predecessors, RCM and NCN for the quarter ended March 31, 2005, and the results of NCM LLC for the six months ended September 29, 2005.

Revenue. Total revenue generated by our joint predecessors, RCM and NCN, respectively, was $17.8 million and $15.5 million during their quarter ended March 31, 2005 (prior to the formation of NCM LLC) and total revenue generated by NCM LLC from April 1, 2005 through September 29, 2005 was $54.1 million. Total revenue generated by NCM LLC for the nine month period ended September 28, 2006 was $145.2 million. This

increase was the result of a combination of higher national advertising CPMs, which increased by 3% between NCM LLC's period ended September 29, 2005 and September 28, 2006, and an expansion of our network, including the increase in founding member screens of 2,346, or 24%, primarily due to the addition of Cinemark, as well as a decrease in legacy contract revenue between NCM LLC's period ended September 29, 2005 and September 28, 2006 of $53.1 million, or 396% (which was then available to be contracted directly with the advertisers by NCM LLC thereby increasing our revenue), and a 52% increase in CineMeetings revenue due to an increase in event count of 62% and due to the variable nature of the revenue generated by each event.

Total advertising contract value of NCM LLC's joint predecessors, RCM and NCN, respectively, was $15.6 million and $15.5 million during their quarter ended March 31, 2005 (prior to the formation of NCM LLC) and total advertising contract value of NCM LLC from April 1, 2005 through September 29, 2005 was $91.1 million. Total advertising contract value of NCM LLC for the nine month period ended September 28, 2006 was $141.6 million. This increase was primarily the result of higher national advertising CPMs and the expansion of our network, as discussed above. Total advertising contract value per founding member attendee of our joint predecessors, RCM and NCN, respectively, was $ 0.27 and $0.37 during their quarter ended March 31, 2005 (prior to the formation of NCM LLC) and total advertising contract value per founding member of NCM LLC from April 1, 2005 through September 29, 2005 was $0.46. Total advertising contract value per founding member attendee of NCM LLC for the nine month period ended September 28, 2006 was $0.37. This decrease was the result of the impact of restrictions on our ability to sell national advertising on Cinemark's screens between January 1, 2006 and April 1, 2006, coupled with slight reductions in local advertising inventory utilization as the existing Cinemark clients were transitioned to our *FirstLook* format and revenue reductions related to the expiration of certain network affiliate agreements which we chose not to renew.

Operating Expenses. Total operating expenses generated by our joint predecessors, RCM and NCN, respectively, were $12.3 million and $11.5 million during their quarter ended March 31, 2005 (prior to the formation of NCM LLC) and total operating expenses of NCM LLC from April 1, 2005 through September 29, 2005 were $35.2 million. Total operating expenses of NCM LLC for the nine month period ended September 28, 2006 were $64.1 million. This increase was primarily due to increased cost levels due to the addition of Cinemark screens to our network, and increased affiliate and commission expenses related to higher revenue. Direct comparison, however, is not possible between the periods because certain expenses which were incurred by our founding members would have been duplicative during their comparative periods, including costs for administrative services including human resources, legal services, accounting services, and other managerial expenses for positions which would have been eliminated when the joint venture was formed, such as sales staff executives. Upon formation of NCM LLC, these duplicative services were eliminated.

Total operating expense per founding member attendee of our joint predecessors, RCM and NCN, respectively, was $0.21 and $0.28 during their quarter ended March 31, 2005 (prior to the formation of NCM LLC) and total operating expense per founding member attendee of NCM LLC from April 1, 2005 through September 29, 2005 was $0.18. Total operating expense per founding member attendee of NCM LLC for the nine month period ended September 28, 2006 was $0.17. This decrease was due to a combination of the addition of Cinemark as a founding member and the absorption of those additional screens into our sales process, as well as the elimination of certain of the duplicative expenses incurred by the joint predecessors discussed above.

Circuit share expense. Circuit share expense generated by our joint predecessors, RCM and NCN, respectively, was $2.4 million and $5.5 million during their quarter ended March 31, 2005 (prior to the formation of NCM LLC) and circuit share expense of NCM LLC from April 1, 2005 through September 29, 2005 was $16.8 million. Total circuit share expense of NCM LLC for the nine month period ended September 28, 2006 was $88.6 million. The increase in circuit share expense was primarily due to the increase in levels of revenue during the period, as discussed above, and to a lesser extent, due to the change in the structure of the circuit share agreement which increased the circuit share rate from 65% in 2005 to 68% in 2006. As noted above, upon completion of this offering, the circuit share expense currently paid to the founding members will be converted to a theatre access fee, which is expected to result in significantly lower expense.

Net income (loss). Net income (loss) generated by our joint predecessors, RCM and NCN, respectively, was $1.7 million and $(0.9) million during their quarter ended March 31, 2005 (prior to the formation of NCM LLC) and the net income (loss) of NCM LLC from April 1, 2005 through September 29, 2005 was $(4.0) million. Total net loss of NCM LLC for the nine month period ended September 28, 2006 was $(11.2) million. Higher total revenue was more than offset by an increase in operating expenses, due to growth experienced by the company, and an increase in the percentage of circuit share costs as a percentage of total revenue. The increase in circuit share expense as a percentage of total revenue is due to changes in the percentage of the circuit share expense, as well as a decline in legacy revenue, which decreased administrative fees but increased circuit share expense. As noted, the comparability of the net income of the period is also limited due to the addition of the Cinemark theatres to our network in 2006.

Years ended December 29, 2005 and December 30, 2004

For purposes of this analysis, the twelve month period ended December 29, 2005 will include revenue, advertising contract value, operating expenses, circuit share expense and net income (loss) of our joint predecessors, RCM and NCN for their quarter ended March 31, 2005, and the results of NCM LLC for the nine months ended December 29, 2005. In addition, for purposes of this analysis, the fiscal year 2004 period used for comparison of our predecessor NCN will include its thirty-eight week period ended December 23, 2004 combined with its fourteen week period ended March 31, 2005. (During its fiscal year ended March 31, 2005, NCN's parent was acquired, resulting in its operating results being reported in pre- and post-acquisition periods.)

Revenue. Total revenue generated by our joint predecessors, RCM and NCN, respectively, was $95.3 million and $72.0 million during their 2004 fiscal year periods (described above). Total revenue generated by our joint predecessors, RCM and NCN, respectively, was $17.8 million and $15.5 million during their quarter ended March 31, 2005 (prior to the formation of NCM LLC) and total revenue generated by NCM LLC from April 1, 2005 through December 29, 2005 was $98.8 million. Total advertising contract value and advertising contract value per founding member attendee of our joint predecessors, RCM and NCN, respectively, was $83.6 million and $0.33 and $72.0 million and $0.45 during their 2004 fiscal year periods. Total advertising contract value and advertising contract value per founding member attendee of our joint predecessors, RCM and NCN, respectively, was $15.6 million and $0.27 and $15.5 million and $0.37 during their quarter ended March 31, 2005 (prior to the formation of NCM LLC) and total advertising contract value and advertising contract value per founding member attendee of NCM LLC from April 1, 2005 through December 29, 2005 was $144.0 million and $0.48. While total revenue decreased at NCM LLC for its nine month period in 2005, the advertising contract value and advertising contract value per founding member attendee increased. This increase is due to the expansion of the network between 2004 and 2005, with an increase of approximately 5% in founding member screens, as well as the impact of the expansion of our national advertising client base, accompanied by increased regional advertising revenue due to the expansion of the regional on-screen inventory and the local advertising sales team.

Operating Expenses. Total operating expenses and operating expense per founding member attendee generated by our joint predecessors, RCM and NCN, respectively, were $43.4 million and $0.17 and $42.1 million and $0.26 during their 2004 fiscal year periods. Total operating expenses and operating expense per founding member attendee of our joint predecessors, RCM and NCN, respectively, were $12.3 million and $0.21 and $11.5 million and $0.28 during their periods ended March 31, 2005 and total operating expenses and operating expense per founding member attendee of NCM LLC from April 1, 2005 through December 29, 2005 were $58.6 million and $0.20. The decrease in operating expenses is due to the elimination of certain duplicative operating and administrative expenses, and despite increases in selling and marketing expenses due to growth in the local sales personnel due to the increase in the number of founding member theatres noted above.

Net Income. Net income (loss) generated by our joint predecessors, RCM and NCN, respectively, was $20.6 and $3.4 million during their 2004 fiscal year periods. Net income (loss) generated by our joint predecessors, RCM and NCN, was $1.7 million and $(0.9) million during their quarter ended March 31, 2005 (prior to the formation of NCM LLC) and the net loss of NCM LLC from April 1, 2005 through December 29, 2005 was

$(6.9) million. The decrease is primarily attributable to the decrease in revenue noted above, offset by a slight decrease in expenses also discussed above, and due to the impact of the increase in the circuit share expenses, which were impacted in the nine month period for NCM LLC due to the increase in the percentage of circuit share expense, and due to the increases in deferred stock compensation expense noted previously, and increases in levels of depreciation and amortization due to the incremental growth of NCM LLC.

Years ended December 30, 2004 and January 1, 2004—Regal CineMedia Corporation

Revenue. Total revenue of RCM increased from $72.4 million during the year ended January 1, 2004 to $95.3 million during the year ended December 30, 2004, an increase of $22.9 million, or 31.6%. This increase was primarily due to the expansion of RCM's digital network capabilities and advertising client base, accompanied by significant growth in CineMeetings due to an increased number of events. Total advertising contract value of RCM increased from $65.2 million during the year ended January 1, 2004 to $83.6 million during the year ended December 30, 2004, an increase of $18.4 million, or 28.2%. Total advertising contract value per founding member attendee increased from $0.25 during the year ended January 1, 2004 to $0.33 in the year ended December 30, 2004, an increase of $0.08, or 32.0%. The expansion of RCM's digital network capabilities and advertising client base were the primary reason for the increase in total advertising contract value and total advertising contract value per founding member attendee.

Operating expenses. Total operating expenses of RCM increased from $34.4 million during the year ended January 1, 2004 to $43.4 million during the year ended December 30, 2004, an increase of $9.0 million, or 26.2%. This increase was primarily due to growth in operating and sales commission expenses resulting from the higher revenue levels and the greater numbers of screens included in the digital content network. Total operating expenses per founding member attendee increased from $0.13 during the year ended January 1, 2004 to $0.17 in the year ended December 30, 2004, an increase of $0.04, or 30.8%. This increase was due to operating and sales commission expenses resulting from the higher revenue levels.

Net income. Net income of RCM increased from $12.9 million during the year ended January 1, 2004 to $20.6 million during the year ended December 30, 2004, an increase of $7.7 million, or 59.7%. The increase is primarily due to increased revenue and better absorption of fixed cost.

Years ended March 31, 2005 and April 1, 2004—National Cinema Network, Inc.

For purposes of this analysis, the fiscal year end March 31, 2005 period used for comparison of NCN includes its thirty-eight week pre-acquisition period ended December 23, 2004 combined with its post-acquisition fourteen week period ended March 31, 2005.

Revenue. Total revenue of NCN was $69.9 million during the fiscal year ended April 1, 2004 compared to $56.5 million for the thirty-eight weeks ended December 23, 2004 and $15.5 million for the fourteen weeks ended March 31, 2005. Total advertising contract value per founding member attendee was $0.43 for the fiscal year ended April 1, 2004 and was $0.45 for the fiscal year ended March 31, 2005. The increase in revenue was due to increases in advertising sold on the founding member theatre circuit, offset slightly by decreases in revenue for advertising sold on other affiliate circuits. The decrease in revenue for advertising sold on other affiliate circuit theatres was due to an initiative at NCN to reduce the number of marginally profitable contracts with such affiliate circuits. In addition, a portion of the increase was due to advertising contracts which were entered into in the latter portion of fiscal 2004 which were in place for both periods in fiscal 2005.

Operating expenses. Total operating expenses of NCN decreased from $47.9 million during the fiscal year ended April 1, 2004 to $42.1 million during the fiscal year ended March 31, 2005, a decrease of $5.8 million or 12%. Total operating expenses per founding member attendee were $0.29 for the fiscal year ended April 1, 2004 and were $0.26 per founding member attendee for the fiscal year ended March 31, 2005. The decrease in operating expense was primarily due to the reduction in overhead costs, including administration and selling expenses, associated with certain restructuring undergone by NCN during the 2005 period.

Circuit share expense. Circuit share expense for advertising sold on the founding member circuit increased from $18.7 million during the fiscal year ended April 1, 2004 to $24.1 for the fiscal year ended March 31, 2005, an increase of $5.4 million, or 28.9%. The increase was primarily due to increases in advertising sold on the founding member theatre circuit, and an increase in the percentage of circuit share expense for founding member circuit as a percentage of circuit share revenue for advertising sold on the founding member circuit, as well as an increase in the circuit share allocation percentage of a significant contract.

Net Income. Net income of NCN increased from $1.9 million for the fiscal year ended April 1, 2004 to $3.4 million for the fiscal year ended March 31, 2005, an increase of $1.5 million, or 79%. This increase was the result of the combination of the higher levels of revenue and the lower levels of expenses.

EBITDA

EBITDA, adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures used by management to measure operating performance. EBITDA represents net income (loss) before net interest expense, income tax benefit (provision), and depreciation and amortization expense. Adjusted EBITDA excludes from EBITDA severance plan costs, non-cash unit based costs and deferred stock compensation. Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by total revenue. EBITDA and adjusted EBITDA do not reflect the Loews payments discussed above, which after this offering will be included in the calculation of adjusted EBITDA including the Loews payments to determine our compliance with financial covenants under our new senior secured credit facility. See “Financing Transaction.” AMC will make Loews payments to NCM LLC pursuant to the Loews screen integration agreement, which for the three months ended September 28, 2006, would have been $2.5 million. See “—Our Company Following the Completion of This Offering—Loews Payments” for additional discussion regarding the Loews payments.

We have included EBITDA, adjusted EBITDA and adjusted EBITDA margin in this prospectus to provide investors with supplemental measures of our operating performance and because they are the basis for an important financial covenant that will be contained in our new senior secured credit facility. We believe EBITDA, adjusted EBITDA and adjusted EBITDA margin are important supplemental measures of operating performance because they eliminate items that have less bearing on our operating performance and so highlight trends in our core business that may not otherwise be apparent when relying solely on generally accepted accounting principles, or GAAP, financial measures. We also believe that securities analysts, investors and other interested parties frequently use EBITDA, adjusted EBITDA and adjusted EBITDA margin in the evaluation of issuers, many of which present EBITDA, adjusted EBITDA and adjusted EBITDA margin when reporting their results. Also, because of the significant changes in our operating results that will result from our acquisition of an interest in NCM LLC, the changes in the exhibitor services agreements and the financing transaction, we disclose pro forma EBITDA, adjusted EBITDA and adjusted EBITDA margin in this prospectus. See “Unaudited Pro Forma Financial Information.”

EBITDA, adjusted EBITDA and adjusted EBITDA margin are not presentations made in accordance with GAAP. As discussed above, we believe that the presentation of EBITDA, adjusted EBITDA and adjusted EBITDA margin in this prospectus is appropriate. However, when evaluating our results, you should not consider EBITDA, adjusted EBITDA and adjusted EBITDA margin in isolation of, or as a substitute for, measures of our financial performance as determined in accordance with GAAP, such as net income (loss). EBITDA, adjusted EBITDA and adjusted EBITDA margin have material limitations as performance measures because they exclude items that are necessary elements of our costs and operations. Because other companies may calculate EBITDA, adjusted EBITDA and adjusted EBITDA margin differently than we do, EBITDA, adjusted EBITDA and adjusted EBITDA margin may not be comparable to similarly-titled measures reported by other companies.

The following table reconciles net income (loss) to EBITDA and adjusted EBITDA on a historical and pro forma basis for the periods presented:

	NCM LLC Nine Months Ended December 29, 2005 Historical	NCM LLC, RCM, & NCN Year Ended December 29, 2005 Pro Forma	NCM LLC			
			Nine Months Ended September 28, 2006		Three Months Ended September 28, 2006	
			Historical	Pro Forma	Historical	Pro Forma
			($ in millions)			
Net Income (Loss)	$ (6.9)	$ 7.5	$ (11.2)	$ 8.9	$ (0.6)	$ 5.5
Income Taxes	—	12.5	—	14.5	—	9.1
Minority Interest	—	11.2	—	13.1	—	8.2
Interest Expense	—	64.5	0.3	48.4	0.2	16.1
Depreciation and Amortization	3.0	4.3	3.4	3.4	1.1	1.1
EBITDA	$ (3.9)	$ 100.0	$ (7.5)	$ 88.3	$ 0.7	$ 40.0
Severance Plan Costs	8.5	8.5	3.4	3.4	0.7	0.7
Share-based Compensation Costs	—	—	1.1	1.7	0.8	1.1
Deferred Stock Compensation	—	0.3	—	—	—	—
Adjusted EBITDA	$ 4.6	$ 108.8	$ (3.0)	$ 93.4	$ 2.2	$ 41.8
Adjusted EBITDA Margin*	4.7%	49.1%	NM	49.7%	3.6%	56.5%

* *Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by total revenue.*

Financial Condition and Liquidity

Liquidity and Capital Resources

Sources of capital and capital requirements. Upon the completion of this offering, our primary sources of liquidity and capital resources will be cash flows generated from distributions from our operating subsidiary, NCM LLC, and availability of up to $80.0 million under a revolving credit facility. NCM LLC's historical sources of liquidity and capital resources have been cash flows generated from its business activities, working capital from our founding members, availability of up to $20 million under a revolving credit facility and available cash and cash equivalents.

Management believes that future funds generated from our operations and available borrowing capacity of up to $80.0 million under our new revolving credit facility to be entered into upon the completion of this offering will be sufficient to fund quarterly dividends, our debt service requirements, working capital requirements and capital expenditure requirements, through the next 12 months. We expect to draw upon the new credit facility at closing to repay amounts outstanding under NCM LLC's existing revolving credit facility (which were $10.0 million as of September 28, 2006) and any remaining amounts owed to the founding members under the existing exhibitor services agreements that, due to timing differences, may not be funded by receivables.

Our short and long term cash requirements consist of minimum annual payments under our operating leases for our headquarters and regional offices and capital expenditures. Minimum annual operating lease requirements are included in our direct operating expenses, which have historically been satisfied by cash flow from operations. For fiscal 2007, we are committed to $1.6 million of annual operating lease payments.

Capital expenditures. Our capital expenditures and those of RCM have typically been related to equipment required for our network operations center and content production and post-production activities, digital content system, or DCS, and "back-office" software upgrades, office leasehold improvements, desktop equipment for use by our employees, and in certain cases, a portion of the costs necessary to digitize all or a portion of a network affiliate's theatres. Our capital expenditures were $5.9 million and $4.3 million for the nine months ended December 29, 2005 and nine months ended September 28, 2006, respectively, and $1.8 million and $1.9 million

for the three months ended September 29, 2005 and September 28, 2006, respectively. The capital expenditures of RCM for the years ended December 30, 2004 and January 1, 2004 were $2.7 million and $1.3 million, respectively. The capital expenditures of NCN for the fiscal years ended March 31, 2005 and April 1, 2004 were de minimus. Our capital expenditures have typically been satisfied through a combination of cash flow from operations and from financing sources, while RCM's capital expenditures were satisfied by cash flow from operations and working capital from Regal. All capital expenditures related to the digital content network within our founding members' theatres have been made, and under the exhibitor services agreements, we expect they will continue to be made, by the founding members rather than NCM LLC or RCM.

We expect to make approximately $6.0 million to $8.0 million of capital expenditures in fiscal 2007, primarily for ordinary course maintenance of our digital content system and upgrades to our distribution software and our internal management systems, including our advertising inventory optimization, management and reporting systems. We expect these upgrades and improvements, which are intended to provide additional scheduling and placement flexibility for our clients, will enhance our operating efficiencies, including allowing us to better manage our advertising inventory, and prepare us for continued growth. These capital expenditures may be increased in connection with expenditures made in theatres operated by any new network affiliates. We expect that these additional expenditures, if any, would be supported by additional cash flows associated with those new network affiliates. The commitments associated with our and RCM's operating leases and capital expenditure requirements are included in "—Contractual and Other Obligations" below.

Cash Flows

The following table summarizes our historical cash flows.

	Predecessor-National Cinema Network, Inc.			Predecessor-Regal CineMedia Corporation		National CineMedia, LLC			
	Year Ended April 1, 2004	38 Weeks Ended December 23, 2004	14 Weeks Ended March 31, 2005	Years Ended January 1, 2004	Years Ended December 30, 2004	Nine Months Ended December 29, 2005	Nine Months Ended September 28, 2006	Three Months Ended September 29, 2005	Three Months Ended September 28, 2006
						($ in millions)			
Cash provided by (used in):									
Operating activities	$ 1.1	$ (2.1)	$ 2.5	$ 6.4	$ 15.9	$ (2.9)	$ 1.1	$ 2.9	$ 3.1
Investing activities	0.3	0.4	0.1	(1.3)	(2.7)	(5.9)	(4.0)	(1.8)	(1.6)
Financing activities	(1.4)	1.7	(2.6)	(4.7)	(11.2)	8.8	7.5	2.3	1.6

Operating Activities

The significant growth in the number of theatres for which advertising services were provided limits the comparability of operating results from period to period. However, since the formation of NCM LLC, there has been negative cash flow from operations, as compared to positive cash flow from operations for RCM and marginal cash flows and uses from NCN. This results from the higher level of circuit share payments upon the formation of NCM LLC compared to the amount and timing of inter-company transfers made by RCM to its parent, Regal, when RCM operated as a wholly-owned subsidiary of Regal and affiliate payments made by NCN, when operated prior to the formation of NCM. Also, as screens have been added, as inventory utilization has increased and as legacy contracts have been replaced with our own advertising contracts, the amount of accounts receivable has grown, which has required the use of operating cash.

We believe that the cash flow related to operating activities in recent historic periods are not representative of the cash flow we expect following the completion of this offering and the entry into the new senior secured credit facility. We expect our circuit share expense to be reduced as a percentage of revenue and our interest costs to increase. See "—Liquidity and Capital Resources" above.

Investing Activities

Cash used in investing activities during all periods relates to investments in our network software and in corporate management systems and purchases of equipment necessary to service the expansion of network affiliate theatre screens and, to a lesser extent, for leasehold improvements and office equipment associated with an expansion of employee headcount. The cash provided in prior periods at NCN was due to the sale of previously held long-term assets and lack of significant capital expenditures.

Financing Activities

Cash provided by financing activities for NCM LLC during the nine months ended December 29, 2005 was primarily related to the sale of membership units to Cinemark. Cash provided by financing activities in the other periods resulted from short-term borrowings. Cash used in financing activities by RCM resulted from remittances of excess cash to RCM's parent company. Financing sources and uses at NCN related to repayments and advances on intercompany receivables. We believe that cash flow related to financing activities of the historic periods will not be representative of our cash flow expected after the completion of this offering, due to our entry into the new senior secured credit facility and other changes in financial structure that will occur in conjunction with the offering of our common stock.

As of September 28, 2006 and December 29, 2005, we had the following debt outstanding and cash and equivalents (in millions of dollars):

	September 28, 2006	December 29, 2005
Borrowings	$ 10.0	$ 1.3
Cash and cash equivalents	$ 4.6	$ —

The cash balance at the end of the historical periods has been typically low, as circuit share payments are made to the founding members out of excess cash. After this offering we also expect to have low cash balances due to quarterly dividends we expect to pay pursuant to our dividend policy.

Financings

Demand note. On March 29, 2005, NCM LLC signed an amended and restated demand promissory note, or the demand note, with the founding members, under which NCM LLC could borrow up to $11.0 million on a revolving basis. Borrowings under the demand note were funded by the founding members pro rata to their ownership of units. Interest was payable monthly, at 200 basis points over LIBOR. Interest paid to the founding members during the three months ended June 30, 2005 was less than $0.1 million. On March 22, 2006, the demand note was cancelled and replaced by the credit facility discussed below.

Existing NCM LLC credit facility. On March 22, 2006, NCM LLC entered into a $20.0 million secured revolving credit facility, with a $2.0 million letter of credit facility, with Citicorp North America, Inc., Citigroup Global Markets Inc., Bank of America, N.A., Credit Suisse, Cayman Islands Branch and Lehman Commercial Paper Inc. Borrowings under the facility bear interest, at NCM LLC's option, at either Adjusted LIBOR plus 1.375% or ABR plus 0.375%. "Adjusted LIBOR" means the rate at approximately 11:00 a.m., London time, two business days before the commencement of the relevant interest period, for dollar deposits with a maturity comparable to such interest period, as adjusted for reserve requirements and rounded upwards if necessary to the next 1/100 of 1%. "ABR" means the greater of the base or prime rate of Citicorp North America, Inc. and the federal funds rate, plus $\frac{1}{2}$ of 1%. The facility is secured by a first-priority lien on certain assets of NCM LLC. The facility matures on March 22, 2008.

Covenants in the revolving portion of our credit facility include typical affirmative and negative covenants, including prompt payment of amounts owed, certain monthly, quarterly, and annual financial reporting requirements, maintenance of property and insurance and limitations on additional indebtedness. There are no financial covenants in our credit facility.

As of September 28, 2006, $10.0 million was outstanding under this facility, including none subject to outstanding letters of credit. This facility will be repaid in full with the proceeds of the new senior secured credit facility as described below.

New senior secured credit facility. In connection with the completion of this offering, NCM LLC will enter into a new $805.0 million senior secured credit facility with a group of lenders that will include affiliates of several of the underwriters. This facility will consist of a six-year, $80.0 million revolving credit facility and an eight-year, $725.0 million term loan facility. The term loan will be due on the eighth anniversary of funding, and will be used to redeem all the preferred membership units of NCM LLC for an aggregate price of $698.5 million, to pay any shortfall in the amounts owed to our founding members for their agreeing to modify our payment obligations under our exhibitor services agreements and to pay transaction expenses. The revolving credit facility will be available, subject to certain conditions, for general corporate purposes of NCM LLC in the ordinary course of business and for other transactions permitted under the credit agreement. The revolving credit facility will be drawn upon to repay amounts outstanding under NCM LLC's existing revolving credit facility (which were $10.0 million as of September 28, 2006). A portion of the revolving credit facility will be available for letters of credit. The obligations under the credit facility will be secured by a lien on substantially all the assets of NCM LLC and its material wholly owned subsidiaries.

Amounts payable to our founding members have historically been paid as NCM LLC collected the related accounts receivable from its customers. Approximately 30 days following the closing of this offering, NCM LLC will repay the remaining amounts owed to our founding members under the existing exhibitor services agreements (which were $43.8 million as of September 28, 2006) and any remaining amounts owed to the founding members under the existing exhibitor services agreements that, due to timing differences, may not be funded by receivables. To the extent that such amounts have not been funded by receivables (which were $51.9 million as of September 28, 2006), we will draw upon the revolving credit facility to satisfy the amounts owed to the founding members. NCM LLC will repay the amount drawn under the credit facility for this purpose as additional receivables are collected. The amount outstanding under the new revolving credit facility will continue to fluctuate based on working capital needs.

Borrowings under the senior secured credit facility will bear interest, at the option of the borrower, at a rate equal to an applicable margin plus either a variable base rate or a eurodollar rate. The applicable margin for the term loan facility is expected to be within a range of 0.75% to 1.00% with respect to base rate loans and within a range of 1.75% to 2.00% with respect to eurodollar loans. The applicable margin for the revolving credit facility is expected to be 0.75% with respect to base rate loans and 1.75% with respect to eurodollar loans. Commencing with the third fiscal quarter in fiscal year 2008, the applicable margin for the revolving credit facility will be determined quarterly and will be subject to adjustment based upon a consolidated net senior secured leverage ratio for NCM LLC and its subsidiaries (to be defined in the NCM LLC credit agreement as the ratio of secured funded debt less unrestricted cash and cash equivalents, over adjusted EBITDA). Upon the occurrence of any payment default, certain amounts under the senior secured credit facility will bear interest at a rate equal to the rate then in effect with respect to such borrowings, plus 2.00% per annum.

The senior secured credit facility will contain a number of negative covenants that limit NCM LLC and its subsidiaries from, among other things, and with certain thresholds and exceptions:

- incurring indebtedness (including guarantee obligations) or liens;
- entering into mergers, consolidations, liquidations or dissolutions;
- selling assets;
- paying dividends, redeeming or repurchasing units or making other payments in respect of capital stock;
- making investments, loans or advances;
- making capital expenditures;
- modifying the exhibitor services agreements, management services agreement or tax receivable agreement;

- entering into transactions with affiliates;
- entering into sale and leaseback transactions;
- changing its fiscal year;
- entering into negative pledge agreements;
- entering into agreements restricting loans or distributions made by NCM LLC's subsidiaries to NCM LLC; and
- changing its line of business.

The senior secured credit facility will also require the maintenance of a quarterly financial ratio, as of the last day of any period of four consecutive fiscal quarters, with respect to maximum consolidated net senior secured leverage for NCM LLC and its subsidiaries as follows:

Fiscal Quarter	Maximum Consolidated Net Senior Secured Leverage Ratio
FQ1 2007 – FQ4 2007	7.50:1.00
FQ1 2008 – FQ4 2008	7.25:1.00
FQ1 2009 – FQ4 2009	7.00:1.00
FQ1 2010 – FQ4 2010	6.75:1.00
FQ1 2011 and thereafter	6.50:1.00

Notwithstanding the foregoing, NCM LLC shall be permitted to make quarterly dividends and other distributions in the following percentages based on the following consolidated net senior secured leverage ratios for NCM LLC and its subsidiaries (to be calculated in the NCM LLC credit agreement for this purpose as the ratio of secured funded debt less unrestricted cash and cash equivalents as of the last day of the four fiscal quarter period ending on or immediately prior to the date of such dividend or distribution (after giving effect to any such distribution and incurrence of indebtedness (if any) relating thereto, provided that the aggregate amount of revolving loans included in the calculation of secured funded debt shall not exceed the revolving commitments in effect on the date of such dividend or distribution), over adjusted EBITDA as of the four fiscal quarter period ending on or immediately prior to the date of such dividend or distribution) so long as no default or event of default shall have occurred and be continuing:

- 100% of "Available Cash" (to be defined in the NCM LLC credit agreement in a manner that is consistent with the comparable definition in the NCM LLC operating agreement) if such consolidated net senior secured leverage ratio is less than or equal to 6.5x.
- 75% of Available Cash if such consolidated net senior secured leverage ratio is less than or equal to 7.0x.
- 50% of Available Cash if such consolidated net senior secured leverage ratio is less than or equal to 7.5x.

The senior secured credit facility will require mandatory prepayments of:

- 100% of net cash proceeds from asset sales and insurance or condemnation recovery events that yield gross proceeds to NCM LLC or any of its subsidiaries in excess of $5 million, subject to an exception for reinvestment in productive assets (not to exceed $25 million in any fiscal year) during a reinvestment period.
- 100% of net cash proceeds from any issuance by NCM LLC or its subsidiaries of debt securities or instruments pursuant to a public offering or private placement (excluding indebtedness permitted under the terms of the NCM LLC credit agreement).
- 50% of excess cash flow (to be defined in the NCM LLC credit agreement as "Available Cash" less permitted cash distributions and other restricted payments, less a dollar amount to be agreed) for each fiscal year of NCM LLC, declining to 0% when consolidated net senior leverage for NCM LLC and its subsidiaries is less than 3.0X.

The senior secured credit facility will contain customary events of default, including:

- failure to pay any principal, interest, fees, expenses or other amounts;
- failure of any representation or warranty to be accurate in all material respects as of the date made or deemed made;
- failure to observe any agreement, obligation or covenant included in the credit agreement or in any guaranty, pledge or security instrument;
- judgments against NCM LLC or any of its subsidiaries in excess of certain allowances;
- default under other indebtedness of NCM LLC or its subsidiaries in excess of a threshold amount;
- certain ERISA events involving us or our subsidiaries;
- bankruptcy or insolvency events involving NCM LLC or its subsidiaries;
- any guaranty, pledge or security instrument shall cease to be in full and effect or any lien created thereby shall cease to be enforceable and of the same effect and priority purported to be created thereby; and
- a change of control (as defined in the credit agreement).

Upon the occurrence of an event of default, among other remedies available to the lenders, all outstanding loans may be accelerated and/or the lenders' commitments may be terminated.

Critical Accounting Policies

We have established various accounting policies that govern the application of accounting principles generally accepted in the United States of America in the preparation and presentation of NCM LLC's financial statements. The significant accounting policies of NCM LLC are described in Note 2 of the financial statements for the nine months ended December 29, 2005, and the nine months ended September 28, 2006, and along with the disclosures presented in the other financial statement notes, provide information on how significant assets and liabilities are valued in the financial statements and how those values are determined. Certain accounting policies involve significant judgments, assumptions and estimates by management that have a material impact on the carrying value of certain assets and liabilities, which management considers critical accounting policies. The judgments, assumptions and estimates used by management are based on historical experience, knowledge of the accounts and other factors, which are believed to be reasonable under the circumstances and are evaluated on an ongoing basis. Because of the nature of the judgments and assumptions made by management, actual results could differ from these judgments and estimates, which could have a material impact on the carrying values of assets and liabilities and the results of operations of NCM LLC.

Allowance for doubtful accounts. The allowance for doubtful accounts represents management's estimate of probable credit losses inherent in its trade receivables, which represent the largest asset on the balance sheet. Estimating the amount of the allowance for doubtful accounts requires significant judgment and the use of estimates related to the amount and timing of estimated losses based on historical loss experience, consideration of current economic trends and conditions and debtor-specific factors, all of which may be susceptible to significant change. Account receivable balances are charged against the allowance, while recoveries of amounts previously charged are credited to the allowance. A provision for bad debt is charged to operations based on management's periodic evaluation of the factors previously mentioned, as well as other pertinent factors. To the extent actual outcomes differ from management estimates, additional provision for bad debt could be required that could adversely affect earnings or financial position in future periods.

Revenue recognition. NCM LLC considers estimates regarding make-good provisions in advertising revenue to be a critical accounting policy that requires significant judgments, assumptions and estimates used in the preparation of its financial statements. Advertising revenue is recognized in the period in which theatre attendees (impressions) are provided. Advertising revenue is reduced for make-good provisions when delivered

attendance is less than the amount contracted. The amount contracted is based on an estimate of attendees at the date the contract is signed. To the extent that NCM LLC is ultimately unable to fulfill make-good provisions, levels of operating revenue will be reduced which could adversely affect earnings or financial position.

Stock-based compensation. NCM LLC has issued options to employees to acquire membership units which, in certain circumstances, would allow the employees to put the options to NCM LLC for cash. The options are accounted for as a liability plan under SFAS No. 123(R), which requires that the liability be measured at its fair value as of each reporting date. The determination of fair value of options requires that management make complex estimates and judgments. We utilize the Black-Scholes option price model to estimate the fair value of our options. This model requires that we make estimates of various factors, the most critical of which are the fair value of our equity and the expected volatility of our equity value. The determination of these is made more difficult because we are a privately held company without historical market-observable factors upon which to base our estimates. As our options were granted in contemplation of an initial public offering, we have used the expected terms of the initial public offering to estimate our equity value. We have considered volatility factors of companies we believe are comparable to us to estimate our future volatility. Our annual compensation expense charge is approximately $1.2 million per year. The use of an equity value that varied by 10% from what we have estimated or the use of a volatility factor that varied by five percentage points from what we have estimated would each individually have less than a $250,000 impact on our annual compensation expense charge.

Off-Balance Sheet Transactions

At December 29, 2005 and September 28, 2006, we had no off-balance sheet arrangements or obligations, except for operating leases entered into the ordinary course of business.

Contractual and Other Obligations

Our contractual obligations at December 29, 2005 were as follows:

	Payments Due by Period				
	Total	2006	2007-2008	2009-2010	After 2010
			($ in millions)		
Office Leases	$ 9.0	$1.4	$ 2.7	$ 2.3	$ 2.6
Network Affiliate Agreements	1.6	1.2	0.4	—	—
Total Contractual Cash Obligations	$10.6	$2.6	$ 3.1	$ 2.3	$ 2.6

After completion of the financing transaction, NCM LLC will be obligated to make periodic interest payments on the loans under the senior secured credit facility, based on an interest rate equal to an applicable margin plus either a variable base rate or a eurodollar rate. The applicable margin for the term loan facility is expected to be within a range of 0.75% to 1.00% with respect to base rate loans and within a range of 1.75% to 2.00% with respect to eurodollar loans. The applicable margin for the revolving credit facility is expected to be 0.75% with respect to base rate loans and 1.75% with respect to eurodollar loans. Commencing with the third fiscal quarter in fiscal year 2008, the applicable margin for the revolving credit facility will be determined quarterly and will be subject to adjustment based upon a consolidated net senior secured leverage ratio for NCM LLC and its subsidiaries (to be defined in the NCM LLC credit agreement as the ratio of secured funded debt less unrestricted cash and cash equivalents, over adjusted EBITDA). The terms of the new senior secured credit facility will require us to hedge the cash flow variability of interest for at least 50% of the term loan. In addition, we will have a new variable rate revolving credit agreement that will replace our existing credit facility. Debt service requirements under this agreement will depend on the amounts borrowed and the level of the based interest rate.

Seasonality

Our revenue and operating results are seasonal in nature, coinciding with the attendance patterns within the film exhibition industry as well as the timing of marketing expenditures by our advertising clients. Theatrical attendance is generally highest during the summer and year-end holiday season coinciding with the release of blockbuster films. Advertising expenditures tend to be higher during the second, third, and fourth fiscal quarters

and are correlated to new product releases and marketing cycles. As a result, our first quarter typically has less revenue than the other quarters of a given year. To illustrate the seasonality of our operations, we analyzed the four consecutive quarters that we felt best represented our business on a comparable screen and attendance basis. Other quarters are less comparable due to the substantial growth in screens and attendance resulting primarily from acquisitions by founding members. This analysis is based on the combination of our quarterly advertising contract value, meetings and events and other revenue.

	Quarter ending			
	June 2005	September 2005	December 2005	March 2006
% of Total	26.5%	25.7%	31.4%	16.4%

Importantly, the results of one quarter are not necessarily indicative of results for the next or any future quarter.

The amount outstanding under the new revolving credit facility will continue to fluctuate based on working capital needs.

Quantitative and Qualitative Disclosures about Market Risk

As of September 28, 2006, we had $10.0 million of total debt outstanding under our existing $20.0 million revolving credit facility. To the extent we borrow under our revolving credit facility which bears interest at floating rates based either on an ABR, as defined in the credit agreement, or LIBOR, we are exposed to market risk related to changes in interest rates. At September 28, 2006, the applicable interest rate on borrowings outstanding under the credit facility was 7.9% per year. If applicable interest rates were to increase by 200 basis points, for every $1.0 million outstanding on our revolving credit facility, our income before income taxes would be reduced by approximately $20,000 per year. We are not party to any derivative financial instruments.

Recent Accounting Pronouncements

The following addresses the expected impact of accounting policies recently issued or proposed but not yet required to be adopted. To the extent the adoption of new accounting standards materially affects financial condition, results of operations, or liquidity, the impacts are discussed in the applicable section(s) of this discussion and the notes to the financial statements included elsewhere in this prospectus.

During June 2006, the FASB issued FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109.” This Interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements in accordance with FASB Statement No. 109, “Accounting for Income Taxes,” and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This Interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. This Interpretation is effective for fiscal years beginning after December 15, 2006. As a limited liability company, NCM LLC’s taxable income or loss is allocated to the founding members in accordance with the provisions of our operating documents. However, NCM Inc. will be a taxable entity and will be required to consider this Interpretation as it relates to both itself and NCM LLC consolidated tax position at NCM Inc. We are currently evaluating the impact the Interpretation may have on its future financial condition, results of operations and cash flows.

During October 2006, the FASB issued Statement of Financial Accounting Standards No. 157, “Fair Value Measurements.” This statement does not require any new fair value measurements but provides guidance on how to measure fair value and clarifies the definition of fair value under GAAP. The statement also requires new disclosures about the extent to which fair value measurements in financial statements are based on quoted market prices, market-corroborated inputs or unobservable inputs that are based on management’s judgments and estimates. The statement is effective for fiscal years beginning after November 15, 2007. We will apply the statement prospectively for any fair value measurements that arise after the date of adoption.

CORPORATE HISTORY AND REORGANIZATION

Our Founding Members

AMC Entertainment Inc.

AMC is the second largest theatre circuit in the United States based on total number of screens. As of March 30, 2006, after giving effect to expected dispositions of certain theatres, AMC owned, operated or held interests in 413 theatres with a total of 5,603 screens globally, with approximately 79.2% or 4,437, of the screens in the United States (including Loews). For their fiscal year ended March 30, 2006, AMC's theatres had total worldwide attendance of 171.4 million, including 149.1 million in the United States, and AMC had revenue of $1,730.5 million. Pro forma for the Loews acquisition, which was completed on January 26, 2006, AMC's total attendance for the fiscal year ended March 30, 2006, was 243.5 million, and AMC had revenue of $2,388.1 million.

Cinemark, Inc.

Cinemark is the third largest theatre circuit in the United States based on total number of screens. As of December 31, 2005, Cinemark operated 308 theatres with a total of 3,329 screens globally, with approximately 72.2%, or 2,405, of the screens in the United States. For the year ended December 31, 2005, Cinemark's theatres had total worldwide attendance of 165.7 million, including 105.4 million in the United States, and Cinemark reported total revenue of $1,020.6 million. As of September 30, 2006, Cinemark operated 2,456 screens in the United States. On October 5, 2006, Cinemark acquired the Century theatre circuit. As of that date, Century operated 77 theatres with 1,017 screens.

Regal Entertainment Group

Regal operates the largest theatre circuit in the United States based on total number of screens. As of December 29, 2005, Regal operated 555 theatres with a total of 6,463 screens, all of which are located in the United States. For the fiscal year ended December 29, 2005, Regal's theatres had total attendance of 244.3 million and Regal reported total revenue of $2,516.7 million.

Our founding members formed NCM LLC to establish a digital content network that would be more cost effective and that would provide a larger, more efficient national network that would compete with existing television and other national networks with regard to the sale and distribution of advertising. In addition, the founding members believed that this larger, more robust network would promote the use of theatres for business meetings, create a new platform for the production and distribution of new forms of high definition entertainment content to theatres and possibly provide a platform for the development and procurement of lower cost digital systems.

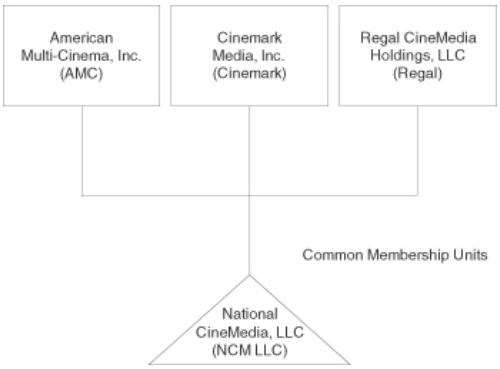
Corporate History and Current Structure

Our business operations are conducted by NCM LLC, which was formed on March 29, 2005, by AMC and Regal as a joint venture that combined the cinema advertising and meetings and events operations of Regal's subsidiary, RCM, and the cinema advertising operations of AMC's subsidiary, NCN. Effective December 28, 2006, NCN merged with and into American Multi-Cinema, Inc., another AMC subsidiary which is the party to the AMC exhibitor services agreement. On July 15, 2005, Cinemark joined NCM LLC as a founding member. Because Cinemark had a pre-existing contract with another cinema advertising provider, NCM LLC began selling advertising for Cinemark's screens on an exclusive basis beginning on January 1, 2006, subject to the run-out of certain pre-existing contractual obligations for on-screen advertising through April 1, 2006. By May 2006, all of Cinemark's digital screens were connected to our digital content network. On January 26, 2006, AMC completed the acquisition of the Loews theatre circuit. The Loews screens will become part of our national theatre network on an exclusive basis beginning on June 1, 2008, subject to the run-out of certain pre-existing contractual obligations for on-screen advertising existing on May 31, 2008, following the expiration of Loews' pre-existing contract with another cinema advertising provider. In accordance with a Loews screen integration

agreement between us and AMC, which will be amended and restated in connection with this offering, AMC will pay us an amount that approximates the EBITDA we would have generated if we were able to sell advertising in the Loews theatre chain on an exclusive basis. Effective as of January 5, 2007, NCM LLC re-allocated the NCM LLC common membership units among the founding members, to reflect the payments to be made by AMC pursuant to the terms of the Loews screen integration agreement. The number of common membership units allocated to AMC was calculated by multiplying the total number of NCM LLC common membership units outstanding by a ratio of theatre screens and patrons at Loews theatres compared to the total number of theatre screens and patrons at all founding members' theatres. These payments will be made on a quarterly basis in arrears until May 31, 2008 and will be, for accounting purposes, recorded directly to our members' equity accounts and will not be reflected in NCM LLC's statements of operations. On October 5, 2006, Cinemark completed the acquisition of the Century screens, which were added to our network on an exclusive basis as of that date, subject to limited exceptions.

Pursuant to the current terms of our agreements with our founding members, they receive payments from NCM LLC with respect to the sale of advertising, meeting and digital programming events within their respective theatres through agreed upon revenue sharing formulas as well as equity in income/loss of NCM LLC for their respective ownership interests. The advertising revenue sharing formula is based on the weighted average number of screens contributed by, and the number of theatre patrons of, the applicable founding member's theatres for any measurement period. The revenue sharing formula for our meetings services is based on an agreed-upon rental for each theatre used, while the formula for digital programming is based upon a share of the ticket revenue and sponsorship revenue.

The diagram below depicts our organizational structure as of the date of this prospectus.



Based on our founding members' operating data for the twelve months ended December 28, 2006, and taking into account the Loews screen integration agreement, the acquisition of Century by Cinemark, and other acquisitions or dispositions of theatres by the founding members, but not taking into account the completion of this offering, we estimate the issued and outstanding common membership units of NCM LLC are owned approximately 33.7% by AMC, approximately 25.4% by Cinemark and approximately 40.9% by Regal.

Reorganization

The following transactions, which we refer to collectively as the reorganization, will occur in connection with the completion of this offering:

- NCM LLC's agreements with its founding members will be amended and restated, including the exhibitor services agreements and the NCM LLC operating agreement each as described below under "Certain Relationships and Related Party Transactions—Transactions with Our Founding Members";

- NCM LLC will enter into the amended and restated Loews screen integration agreement with AMC pursuant to which AMC will pay NCM LLC an amount that approximates the EBITDA we would have generated if we were able to sell advertising in the Loews theatre chain on an exclusive basis; such Loews payments will be made quarterly for a specified time period;
- NCM LLC will split the number of outstanding common membership units so that a common membership unit can be acquired with the proceeds from the initial offering of one share of our common stock after underwriting discounts and commissions and offering expenses;
- NCM LLC will be recapitalized on a non-cash basis with a distribution to the founding members of one common membership unit and one preferred membership unit in exchange for each outstanding common membership unit;
- NCM Inc. will become a member and the sole manager of NCM LLC following the purchase from NCM LLC of a number of common membership units equal to the number of shares of common stock sold in this offering; the units will be purchased with the net proceeds of this offering at a price per unit equal to the public offering price per share, less underwriting discounts and commissions and offering expenses;
- NCM LLC will pay all of the proceeds it receives from us to our founding members for their agreeing to modify our payment obligations under our exhibitor services agreements;
- options to acquire our common stock will be substituted for options to acquire common membership units in NCM LLC, and restricted common stock will be issued in substitution for restricted units that will be granted to NCM LLC option holders as “IPO awards”; and
- NCM LLC will redeem all the preferred membership units in NCM LLC at an aggregate price of $698.5 million using the proceeds of a new term loan of $725 million that is a part of our senior secured credit facility, as described under “Financing Transaction” below.

The purpose for issuing the preferred membership units in connection with the non-cash recapitalization, and for subsequently redeeming all the preferred membership units in connection with the offering, is to create an efficient mechanism for distributing all the redemption proceeds to our founding members. We believe the preferred membership units create an efficient mechanism for the distribution of the redemption proceeds to our founding members because the terms of the preferred membership units are structured so that the distribution preference held by our founding members can vary depending on the eventual net proceeds of the offering (as described in “Certain Relationships and Related Party Transactions—Transactions With Founding Members—NCM LLC Operating Agreement—Recapitalization and Preferred Unit Redemption”). We also believe that the creation of the preferred membership units as part of the non-cash recapitalization clearly establishes that NCM Inc., which will acquire only common membership units in connection with the offering, will not be entitled to any portion of the redemption proceeds when the preferred membership units are subsequently redeemed.

Promptly after the completion of this offering, we will purchase from NCM LLC a number of common membership units equal to the number of shares sold in the public offering, at a price per unit equal to the public offering price per share, less underwriting discounts and commissions and offering expenses. Following these acquisitions, we will own 40.5% of the outstanding common membership units in NCM LLC. If the underwriters exercise their over-allotment option to purchase additional shares in full, we will acquire an equivalent number of additional units in NCM LLC from our founding members on a pro rata basis promptly after issuing additional shares pursuant to the over-allotment option, and our aggregate ownership of NCM LLC will increase to 44.8%.

Following this purchase, we and NCM Inc. will complete the remaining steps of the reorganization described above.

We will sell our common stock to the public in this offering. After completion of this offering, we will have no material assets other than direct ownership of approximately 40.5% of the common membership units in

NCM LLC. Our founding members will hold the remaining 59.5% of NCM LLC's common membership units.[1] Our only source of cash flow from operations will be distributions from NCM LLC and management fees pursuant to a management services agreement between us and NCM LLC.

Corporate Governance Matters

So long as a founding member beneficially owns at least 5% of NCM LLC's issued and outstanding common membership units, approval of at least 90% of the directors then in office (provided that if the board has less than ten directors, then the approval of at least 80% of the directors then in office) will be required before we may take any of the following actions or we, in our capacity as sole manager of NCM LLC, may authorize NCM LLC to take any of the following actions:

- assign, transfer, sell or pledge all or a portion of the membership units of NCM LLC beneficially owned by NCM Inc.;
- acquire, dispose, lease or license assets by NCM Inc. or NCM LLC or enter into a contract to do the foregoing, in a single transaction or in two or more transactions (related or unrelated) in any consecutive twelve-month period with an aggregate value (as determined in good faith by the board) exceeding 20% of the fair market value of the business of NCM LLC operating as a going concern (as determined in good faith by the board);
- merge, reorganize, recapitalize, reclassify, consolidate, dissolve, liquidate or enter into a similar transaction;
- incur any funded indebtedness (including the refinancing of any funded indebtedness) or repay, before due, any funded indebtedness (other than a working capital revolving line of credit) with a fixed term in either case, in a single transaction or in two or more transactions (related or unrelated) in an aggregate amount in excess of $15 million per year;
- issue, grant or sell shares of common stock or rights with respect to common stock, except in connection with NCM Inc.'s equity incentive compensation plans or any conversion or exchange of NCM LLC membership units in accordance with the NCM LLC operating agreement;
- issue, grant or sell any NCM Inc. preferred stock or rights with respect to preferred stock;
- authorize, issue, grant or sell additional NCM LLC membership units or rights with respect to membership units (except as otherwise permitted in the common unit adjustment agreement or NCM Inc.'s equity incentive compensation plans);
- amend, modify, restate or repeal any provision of NCM Inc.'s certificate of incorporation or bylaws or the NCM LLC operating agreement;
- enter into, modify or terminate certain contracts not in the ordinary course of business of the type specified in Item 601(b)(10)(i) of Regulation S-K;
- except as specifically set forth in the NCM LLC operating agreement, declare, set aside or pay any redemption of, or dividends with respect to membership interests, payable in cash, property or otherwise;
- amend any material terms or provisions (as defined in the Nasdaq rules) of NCM Inc.'s equity incentive plan or enter into or consummate any new equity incentive compensation plan;

1 Excludes unvested restricted stock and shares underlying unvested stock options that will be granted by NCM Inc., which will result in an increase in the number of common membership units held by NCM Inc. upon vesting or exercise, respectively. A 10% increase in the number of shares of common stock sold would result in an increase of 2.3% in the percentage of NCM LLC membership units held by NCM Inc. and a corresponding reduction in the percentage held by the founding members.

- make any change in the current business purpose of NCM Inc. to serve solely as the manager of NCM LLC or any change in the current business purpose of NCM LLC to provide the services as set forth in the exhibitor services agreements; and
- approve any actions relating to NCM LLC that could reasonably be expected to have a material adverse tax effect on the founding members.

Pursuant to a director designation agreement, so long as a founding member owns at least 5% of NCM LLC's issued and outstanding common membership units, such founding member will have the right to designate a total of two nominees to our ten-member board of directors who will be voted upon by our stockholders. If, at any time, any founding member owns less than 5% of NCM LLC's then issued and outstanding common membership units, then such founding member shall cease to have any rights of designation. One of the two designees from each of the founding members must qualify as an independent director under Nasdaq rules at the time of designation.

If any director designee to our board designated by our founding members is not appointed to our board, nominated by us or elected by our stockholders, as applicable, then each of the founding members (so long as such founding member continues to own 5% of NCM LLC's issued and outstanding common membership units) will be entitled to approve the following actions of NCM LLC:

- approving any budget or any amendment or modification of the budget;
- incurring any indebtedness or entering into or consummating any other financing transaction that is not provided for in the budget;
- entering into or consummating any agreements or arrangements involving annual payments by NCM LLC (including the fair market value of any barter) in excess of $5 million (subject to annual adjustment based on the Consumer Price Index), except as otherwise provided in the budget, or any material modification of any such agreements or arrangements;
- entering into or consummating any agreements or arrangements involving annual receipts (including the fair market value of any barter) in excess of $20 million (subject to annual adjustment based on the Consumer Price Index), or any material modification of any such agreements or arrangements;
- except as contemplated herein, declaring, setting aside or paying any redemption of, dividends on, or the making of any other distributions in respect of, any of its membership units or other equity interests in NCM LLC, as the case may be, payable in cash, stock, property or otherwise, or any reorganization or recapitalization or split, combination or reclassification or similar transaction of any of its units, limited liability company interests or capital stock, as the case may be;
- amending any provision of the third restated LLC operating agreement to authorize, or to issue, any additional membership units or classes of units or other equity interests and the designations, preferences and relative, participating or other rights, powers or duties thereof;
- hiring or terminating the employment of the chief executive officer, chief financial officer, chief technology officer or chief sales and marketing officer of NCM LLC, or the entering into, amendment or termination of any employment, severance, change of control or other contract with any employee who has a written employment agreement with NCM LLC;
- changing the purposes of NCM LLC, or the provision by NCM LLC of any services beyond the scope of the services defined in the exhibitor services agreements, or services outside of the United States or Canada;
- entering into any agreement with respect to or the taking of any material steps to facilitate a transaction that constitutes a change of control of NCM LLC or a proposal for such a transaction;
- leasing (as lessor), licensing (as licensor) or other transfer of assets (including securities) (x) having a fair market value or for consideration exceeding $10 million (subject to annual adjustment based on the

Consumer Price Index), taken as a whole, or (y) to which the revenue or the profits attributable exceed $10 million (subject to annual adjustment based on the Consumer Price Index), taken as a whole, in any one transaction or series of related transactions, in each case, determined using the most recent quarterly consolidated financial statement of NCM LLC;

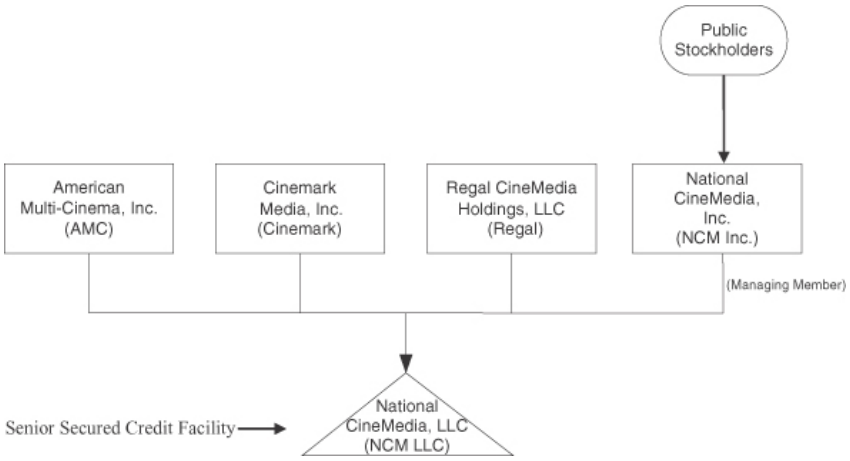
- entering into any agreement with respect to or consummating any acquisition of any business or assets having a fair market value in excess of $10 million (subject to annual adjustment based on the Consumer Price Index) taken as a whole, in any one transaction or series of related transactions, whether by purchase and sale, merger, consolidation, restructuring, recapitalization or otherwise;
- settling claims or suits in which NCM LLC is a party for an amount that exceeds the relevant provision in the budget by more than $1 million (subject to annual adjustment based on the Consumer Price Index) or where equitable or injunctive relief is included as part of such settlement;
- entering into, modifying or terminating any material contract or transaction or series of related transactions (including by way of barter) between (x) NCM LLC or any of its subsidiaries and (y) any member or any affiliate of any member or any person in which any founding member has taken, or is negotiating to take, a material financial interest, in each case, other than relating to the purchase or sale of products or services in the ordinary course of business of NCM LLC;
- entering into any agreement for NCM LLC to provide to any new member or affiliate of any new member any services similar to those set forth in the exhibitor services agreement, or admitting to NCM LLC any new member;
- entering into, modifying or terminating any agreement for NCM LLC to provide any services to any person (other than a member or affiliate of a member), that requires capital expenditures or guaranteed payments in excess of $1 million annually (subject to annual adjustment based on the Consumer Price Index);
- dissolution of NCM LLC; the adoption of a plan of liquidation of NCM LLC; any action by NCM LLC to commence any suit, case, proceeding or other action (i) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors seeking to have an order for relief entered with respect to NCM LLC, or seeking to adjudicate NCM LLC as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to NCM LLC, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for NCM LLC, or for all or any material portion of the assets of NCM LLC, or making a general assignment for the benefit of the creditors of NCM LLC;
- approving any significant tax matters;
- valuation determinations to be made under the third restated LLC operating agreement;
- amending or changing certain provisions of the third restated LLC operating agreement; and
- any expenditure by NCM LLC to replace, upgrade or modify any equipment or software owned by any of the founding members or their affiliates.

For purposes of calculating the 5% ownership threshold for the supermajority director approval rights and director designation agreement provisions discussed above, shares of our common stock held by a founding member and received upon redemption of NCM LLC common membership units will be counted toward the threshold. Common membership units issued to NCM Inc. in connection with the redemption of common membership units by a founding member will be excluded, so long as such founding member continues to hold the common stock acquired through such redemption or such founding member has disposed of such shares of common stock to another founding member. Shares of our common stock otherwise acquired by the founding members will also be excluded, unless such shares of common stock were transferred by one founding member to another and were originally received by the transferring founding member upon redemption of NCM LLC common membership units. NCM LLC common membership units held by permitted transferees of a founding

member will be combined with units held by the founding member for purposes of determining whether the 5% threshold has been met, and the founding member and its permitted transferees may exercise their designation rights jointly. Permitted transferees include affiliates of the founding member and entities that are owned more than 50% by the same entity or entities that ultimately control the founding member.

After the completion of this offering, transactions between us and our founding members will be approved by our audit committee, which is composed of independent members of our board of directors, or another committee comprised entirely of independent members of our board. Our audit committee charter authorizes the audit committee to hire financial advisors and other professionals to assist the committee in evaluating and approving any transaction between us and any related party, including our founding members.

The diagram below depicts our organizational structure immediately after the reorganization and the completion of this offering:



Upon completion of this offering, the issued and outstanding common membership units of NCM LLC will be owned approximately 40.5% by NCM Inc., approximately 20.0% by AMC, approximately 15.1% by Cinemark and approximately 24.4% by Regal.[1]

[1] Excludes unvested restricted stock and shares underlying unvested stock options that will be granted by NCM Inc., which will result in an increase in the number of common membership units held by NCM Inc. upon vesting or exercise, respectively. A 10% increase in the number of shares of common stock sold would result in an increase of 2.3% in the percentage of NCM LLC membership units held by NCM Inc. and a corresponding reduction in the percentage held by the founding members.

FINANCING TRANSACTION

The New NCM LLC Senior Secured Credit Facility

In connection with the completion of this offering, NCM LLC will enter into a new $805.0 million senior secured credit facility with a group of lenders that will include affiliates of several of the underwriters. This facility will consist of a six-year, $80.0 million revolving credit facility and an eight-year, $725.0 million term loan facility. The term loan will be due on the eighth anniversary of funding, and will be used to redeem all the preferred membership units of NCM LLC for an aggregate price of $698.5 million, to pay any shortfall in the amounts owed to our founding members for their agreeing to modify our payment obligations under our exhibitor services agreements and to pay transaction expenses. The revolving credit facility will be available, subject to certain conditions, for general corporate purposes of NCM LLC in the ordinary course of business and for other transactions permitted under the credit agreement. The revolving credit facility will be drawn upon to repay amounts outstanding under NCM LLC's existing revolving credit facility (which were $10.0 million as of September 28, 2006) and any remaining amounts owed to the founding members under the existing exhibitor services agreements that, due to timing differences, may not be funded by receivables. A portion of the revolving credit facility will be available for letters of credit. The obligations under the senior secured credit facility will be secured by a lien on substantially all of the assets of NCM LLC and its material wholly owned subsidiaries.

Amounts payable to our founding members have historically been paid as NCM LLC collected the related accounts receivable from its customers. Approximately 30 days following the closing of this offering, NCM LLC will repay the remaining amounts owed to our founding members under the existing exhibitor services agreements (which were $43.8 million as of September 28, 2006). To the extent that such amounts have not been funded by receivables from our customers (which were $51.9 million as of September 28, 2006), we will draw upon the revolving credit facility to satisfy the amounts owed. NCM LLC will repay the amount drawn under the credit facility for this purpose as the corresponding receivables are collected. In the future, the amount outstanding under the new revolving credit facility will continue to fluctuate due to the discrepancies in timing between payables and receivables.

Borrowings under the senior secured credit facility will bear interest, at the option of the borrower, at a rate equal to an applicable margin plus either a variable base rate or a eurodollar rate. The applicable margin for the term loan facility is expected to be within a range of 0.75% to 1.00% with respect to base rate loans and within a range of 1.75% to 2.00% with respect to eurodollar loans. The applicable margin for the revolving credit facility is expected be 0.75% with respect to base rate loans and 1.75% with respect to eurodollar loans. Commencing with the third fiscal quarter in fiscal year 2008, the applicable margin for the revolving credit facility will be determined quarterly and will be subject to adjustment based upon a consolidated net senior secured leverage ratio for NCM LLC and its subsidiaries (to be defined in the NCM LLC credit agreement as the ratio of secured funded debt less unrestricted cash and cash equivalents, over adjusted EBITDA). Upon the occurrence of any payment default, certain amounts under the senior secured credit facility will bear interest at a rate equal to the rate then in effect with respect to such borrowings, plus 2.00% per annum.

The senior secured credit facility will contain a number of negative covenants that limit NCM LLC and its subsidiaries from, among other things, and with certain thresholds and exceptions:

- incurring indebtedness (including guarantee obligations) or liens;
- entering into mergers, consolidations, liquidations or dissolutions;
- selling assets;
- paying dividends, redeeming or repurchasing units or making other payments in respect of capital stock;
- making investments, loans or advances;
- making capital expenditures;
- modifying the exhibitor services agreements, management services agreement or tax receivable agreement;
- entering into transactions with affiliates;

- entering into sale and leaseback transactions;
- changing its fiscal year;
- entering into negative pledge agreements;
- entering into agreements restricting loans or distributions made by NCM LLC's subsidiaries to NCM LLC; and
- changing its line of business.

The senior secured credit facility will also require the maintenance of a quarterly financial ratio, as of the last day of any period of four consecutive fiscal quarters, with respect to maximum consolidated net senior secured leverage for NCM LLC and its subsidiaries as follows:

Fiscal Quarter	Maximum Consolidated Net Senior Secured Leverage Ratio
FQ1 2007 – FQ4 2007	7.50:1.00
FQ1 2008 – FQ4 2008	7.25:1.00
FQ1 2009 – FQ4 2009	7.00:1.00
FQ1 2010 – FQ4 2010	6.75:1.00
FQ1 2011 and thereafter	6.50:1.00

Notwithstanding the foregoing, NCM LLC shall be permitted to make quarterly dividends and other distributions in the following percentages based on the following consolidated net senior secured leverage ratios for NCM LLC and its subsidiaries (to be calculated in the NCM LLC credit agreement for this purpose as the ratio of secured funded debt less unrestricted cash and cash equivalents as of the last day of the four fiscal quarter period ending on or immediately prior to the date of such dividend or distribution (after giving effect to any such distribution and incurrence of indebtedness (if any) relating thereto, provided that the aggregate amount of revolving loans included in the calculation of secured funded debt shall not exceed the revolving commitments in effect on the date of such dividend or distribution), over adjusted EBITDA as of the four fiscal quarter period ending on or immediately prior to the date of such dividend or distribution) so long as no default or event of default shall have occurred and be continuing:

- 100% of "Available Cash" (to be defined in the NCM LLC credit agreement in a manner that is consistent with the comparable definition in the NCM LLC operating agreement) if such consolidated net senior secured leverage ratio is less than or equal to 6.5x.
- 75% of Available Cash if such consolidated net senior secured leverage ratio is less than or equal to 7.0x.
- 50% of Available Cash if such consolidated net senior secured leverage ratio is less than or equal to 7.5x.

The senior secured credit facility will require mandatory prepayments of:

- 100% of net cash proceeds from asset sales and insurance or condemnation recovery events that yield gross proceeds to NCM LLC or any of its subsidiaries in excess of $5 million, subject to an exception for reinvestment in productive assets (not to exceed $25 million in any fiscal year) during a reinvestment period.
- 100% of net cash proceeds from any issuance by NCM LLC or its subsidiaries of debt securities or instruments pursuant to a public offering or private placement (excluding indebtedness permitted under the terms of the NCM LLC credit agreement).
- 50% of excess cash flow (to be defined in the NCM LLC credit agreement as "Available Cash" less permitted cash distributions and other restricted payments, less a dollar amount to be agreed) for each fiscal year of NCM LLC, declining to 0% when consolidated net senior leverage for NCM LLC and its subsidiaries is less than 3.0X.

The senior secured credit facility will contain customary events of default, including:

- failure to pay any principal, interest, fees, expenses or other amounts;

- failure of any representation or warranty to be accurate in all material respects as of the date made or deemed made;
- failure to observe any agreement, obligation or covenant included in the credit agreement or in any guaranty, pledge or security instrument;
- judgments against NCM LLC or any of its subsidiaries in excess of certain allowances;
- default under other indebtedness of NCM LLC or its subsidiaries in excess of a threshold amount;
- certain ERISA events involving us or our subsidiaries;
- bankruptcy or insolvency events involving NCM LLC or its subsidiaries;
- any guaranty, pledge or security instrument shall cease to be in full and effect or any lien created thereby shall cease to be enforceable and of the same effect and priority purported to be created thereby; and
- a change of control (as defined in the credit agreement).

Upon the occurrence of an event of default, among other remedies available to the lenders, all outstanding loans may be accelerated and/or the lenders' commitments may be terminated.

Existing NCM LLC Credit Facility

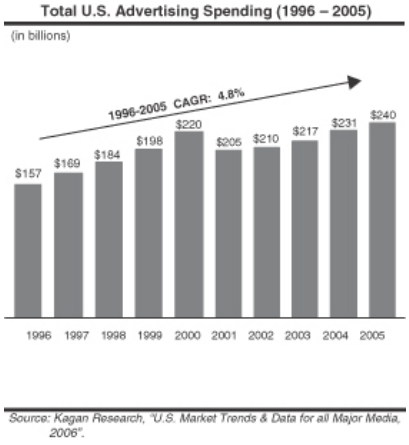
On March 22, 2006, NCM LLC entered into a $20.0 million secured revolving credit facility, with a $2.0 million letter of credit facility, with Citicorp North America, Inc., Citigroup Global Markets Inc., Bank of America, N.A., Credit Suisse, Cayman Islands Branch and Lehman Commercial Paper Inc. Borrowings under the facility bear interest, at NCM LLC's option, at either Adjusted LIBOR plus 1.375% or ABR plus 0.375%. "Adjusted LIBOR" means the rate at approximately 11:00 a.m., London time, two business days before the commencement of the relevant interest period, for dollar deposits with a maturity comparable to such interest period, as adjusted for reserve requirements and rounded upwards if necessary to the next 1/100 of 1%. "ABR" means the greater of the base or prime rate of Citicorp North America, Inc. and the federal funds rate, plus $^1/_2$ of 1%. The facility is secured by a first-priority lien on certain assets of NCM LLC. The facility also imposes usual and customary affirmative and negative covenants on NCM LLC. The facility matures on March 22, 2008.

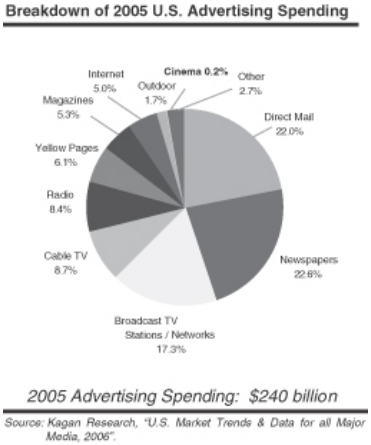
As of September 28, 2006, $10.0 million was outstanding under this facility, including none subject to outstanding letters of credit. This facility will be repaid in full with the proceeds of the financing transaction as discussed above.

INDUSTRY

U.S. Advertising Industry

The U.S. advertising industry is large and consists of a diverse mix of media platforms which has demonstrated attractive long-term growth. According to *Kagan Research*, in 2005 advertisers spent approximately $240 billion in the U.S. across all media platforms, and since 1996 advertising spending has grown at a compound annual growth rate, or CAGR, of approximately 4.8%. Historically, the larger components of U.S. advertising spending have been traditional media platforms such as television, radio, newspapers and direct mail, with non-traditional media representing a relatively small percentage of advertising spending.





However, as set forth in the following table, over the past 10 years, the growth rates of emerging, targeted media platforms such as Internet and cinema advertising have outpaced those of the traditional mass media platforms such as television, radio and newspapers. During the period from 2001 to 2005, Internet and cinema advertising grew at a CAGR of 13.2% and 26.0%, respectively, while more traditional media platforms such as broadcast television, radio, magazines and newspapers grew slower than the overall advertising market.

Total U.S. Advertising Spending (1996 – 2005)

(in millions)	U.S. Advertising Spending 1996	2001	2005	CAGRs 1996-2005	2001-2005
Cinema Advertising	**$ 138**	**$ 204**	**$ 514**	**15.7%**	**26.0%**
Internet	210	7,273	11,938	56.7%	13.2%
Cable TV	6,799	13,764	20,836	13.3%	10.9%
Outdoor(1)	2,256	3,116	3,961	6.5%	6.2%
Direct Mail	34,509	44,725	52,898	4.9%	4.3%
Out of Home(1)	1,504	2,077	2,383	5.2%	3.5%
Magazines	9,010	11,095	12,714	3.9%	3.5%
Broadcast TV	33,386	36,669	41,599	2.3%	3.2%
Daily Newspapers	38,075	44,317	48,631	2.5%	2.3%
Weekly Newspapers	3,820	5,208	5,708	4.6%	2.3%
Radio	12,507	18,369	20,004	5.4%	2.2%
Directories	10,849	13,572	14,555	3.3%	1.8%
Satellite Radio	—	—	39	—	—
Interactive TV	—	—	6	—	—
Farm Publications	297	360	333	1.3%	(1.9%)
Business Publications	3,808	4,468	3,830	0.1%	(3.8%)
Total Advertising Market	**$157,169**	**$205,217**	**$239,950**	**4.8%**	**4.0%**

Source: 2006 Kagan Research, LLC estimates and analysis of Universal McCann, Direct Marketing Association, Outdoor Association of America, Radio Advertising Bureau and Newspaper Association of America data.
(1) 8-sheet included in out of home. Excluding 30-sheet & Bulletin.

We believe a number of technological factors have caused non-traditional media platforms, including cinema advertising, to grow faster than the overall advertising market. Technology, particularly digital technology, has significantly affected the delivery of content. The development of broadband, wireless and portable devices as well as an increase in the number of Internet websites and digital cable channels have dramatically increased the number of media platforms and resulted in substantial audience fragmentation. While technological innovations have fragmented audiences, they have also enabled advertisers to deliver more targeted advertising messages to audiences. Historically, advertising campaigns were launched as “one-to-many,” but due to advances in technology, “one-to-few” or even “one-to-one” targeted media platforms are now available. For example, advertisers now reach individual consumers directly through cell phones and video games. Technology is also providing consumers with the tools necessary to interact with content in new ways, including the ability to store content and skip advertisements with devices like MP3 players and digital video recorders.

As a result of the increase in the number of media platforms available to advertisers, the enhanced ability to target narrow consumer demographics and the availability of more sophisticated return on investment measurement tools, return on investment has become a key driver for marketers in making decisions about advertising expenditures. As such, marketers are more focused on reaching specific audience segments, especially those in attractive younger demographic groups such as 18-34 year olds. Advertisers are also turning with increasing frequency to non-traditional, targeted media platforms such as cinema advertising, Internet, cellular phones and video games in order to reach their desired demographic.

Cinema Advertising

According to *Zenith Optimedia*, for many years, cinema advertising has represented a more significant percentage of total advertising spending in Europe and Australia than it has in the U.S. Historically, cinema advertising in the U.S. has been a low-quality medium consisting of slide advertisements delivered by 35 mm

projectors and repurposed national television advertisements played on 35 mm film. The costs associated with duplicating and distributing the advertisement on 35 mm film to a fragmented theatre base were high. Also, the medium required long distribution lead times to make 35 mm film prints and provided advertisers very little flexibility to target specific audiences or geographic regions, or to change advertising messages once a campaign was launched. Due to the lack of scale amongst cinema advertising businesses, advertisers were unable to purchase national coverage from any one operator, with consistent delivery and pricing metrics. Most importantly, cinema advertising was not measured by a nationally recognized media measurement service, and therefore was not considered by many national advertisers.

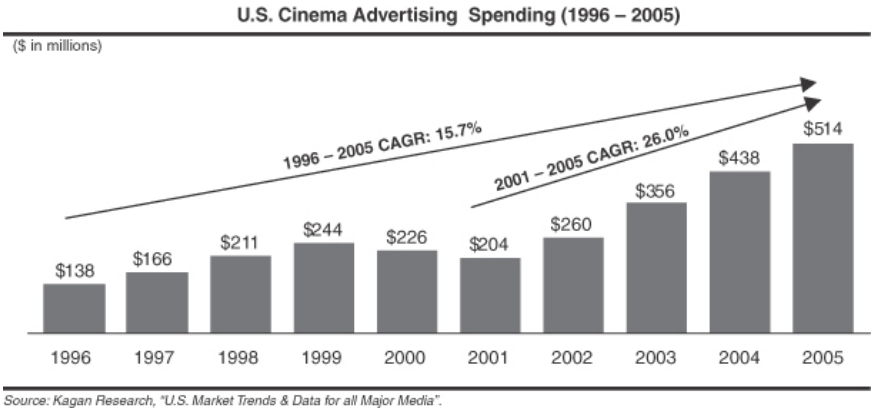
Over the past few years, cinema advertising in the U.S. has undergone significant changes. Companies providing nationwide coverage have emerged. Some companies have deployed digital networks and fostered the development of higher quality pre-feature shows that commingle advertising and entertainment programming. The growth of cinema advertising has been further supported by the establishment of third-party market research on the medium from firms such as *Nielsen Media Research* and *Arbitron*. Today, cinema advertising represents an increasingly effective marketing platform for advertisers.

Cinema advertising generally consists of the following components:

- *On-screen advertising*. According to a *Cinema Advertising Council* press release, advertising displayed before film trailers accounted for approximately 86% of cinema advertising revenue in 2005. Advertising opportunities are available in many formats, including 35 mm slides, digital slides, 35 mm film and full motion programming displayed on digital projectors connected to local and wide area distribution networks. Opportunities exist for advertisers to purchase advertisements for local, regional or national distribution.
- *In-lobby advertising and other off-screen theatre advertising opportunities.* Advertising messages are delivered in theatre lobbies via plasma and other television-type screens; on posters, tickets, beverage cups and popcorn bags; and through sponsorship and sampling opportunities. Coupons are also distributed at the box office and in theatre lobbies.

Cinema advertising provides advertisers with the opportunity to integrate their on-screen advertising with other marketing and promotional products in the lobby. The integration of marketing messages throughout the theatre from the time movie patrons enter until they exit the theatre allows an advertiser to immerse customers in its brand with multiple touch points throughout their movie-going experience.

Today, cinema advertising accounts for a small but growing portion of the $240 billion U.S. advertising market. According to *Kagan Research*, cinema advertising revenue grew to $514 million in 2005, representing a CAGR during 1996-2005 and 2001-2005 of 15.7% and 26.0%, respectively. The report also estimates that cinema advertising revenue will grow to approximately $910 million by 2010, representing an estimated CAGR during 2005-2010 of 12.0%. We believe the acceleration in advertising spending in this medium in the last five years is largely a result of better research and overall visibility of the medium and digital technology, which have enhanced the reach and the overall value proposition of cinema advertising for local, regional and national advertisers.



As a result of these developments, more well-known national advertisers are adding cinema advertising to their media budgets and existing advertisers are increasing their cinema advertising spending. Today, companies in the apparel / accessories, automotive, confectionary, credit card, personal care, retail, telecommunications and video game sectors, as well as branches of the armed forces, target consumers using cinema advertising.

Audiences are increasingly accepting of cinema advertising. A 2003 *Arbitron* study found that two-thirds of movie-going adults strongly agree or agree with the statement "I don't mind the advertisements they put on before the movie begins." Source, *Arbitron Inc.*, *The Arbitron Cinema Advertising Study*, Copyright 2003.

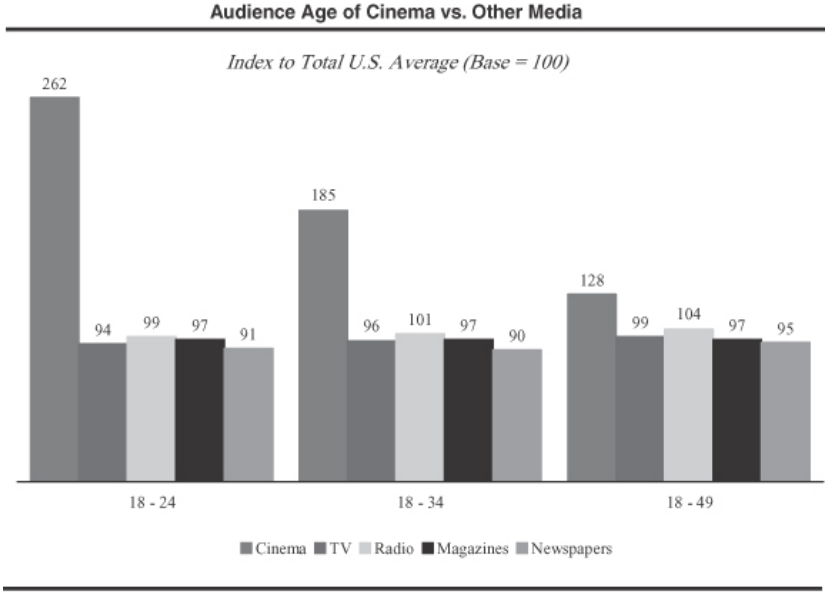
Advantages of Cinema Advertising

The principal advantages of cinema advertising include the following:

- *Effective targeting.* Cinema advertising enables advertisers to target audiences by specific location or region and on a national basis by demographic characteristics associated with a film or film rating category.
- *Large addressable audience*. According to *Kagan Research*, movie-going is the number one out-of-home leisure activity for Americans. Over two-thirds of the U.S. population goes to the movies, with one-third of the population attending a movie at least once a month. According to the *Motion Picture Association of America, Inc.*, or *MPAA*, in 2005, total theatre attendance in the U.S. was approximately 1.4 billion.
- *Attractive audience demographics.* According to a *Nielsen Media Research* study, conducted in the first quarter of 2006, typical movie-goers are young, with 45% between the ages of 12-34; affluent, with a mean household income of over $67,000 compared to a national mean of $60,523; and well-educated, with 39% having a college or post-graduate degree compared with 28% of the general population.
- *Engaged audiences*. Cinema advertising audiences are seated in a darkened auditorium while high-definition programming is displayed on a large screen with digital sound that cannot be skipped or turned off. Research conducted by *Arbitron* in 2003 has shown that audiences typically are more attentive in this type of environment.

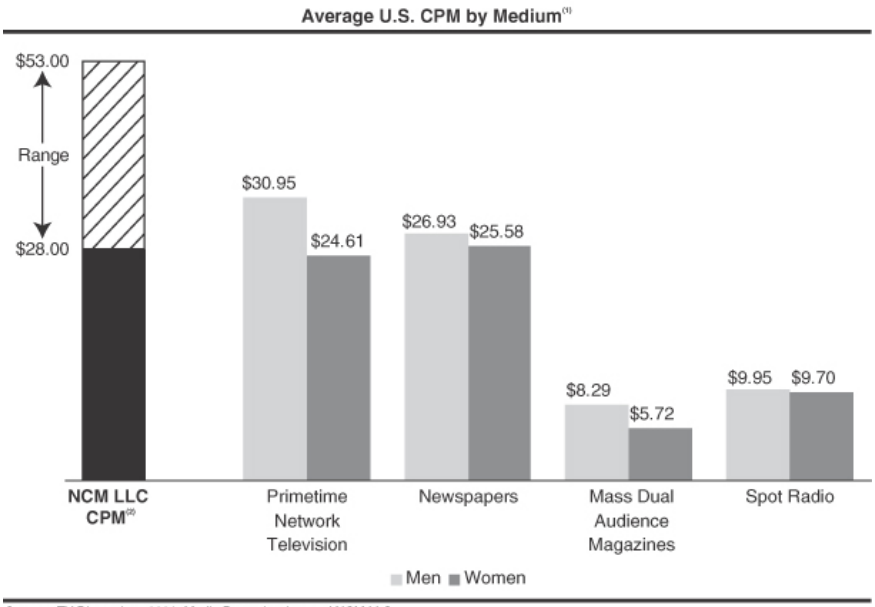
- *High unaided recall rates and intent to purchase.* Industry studies have found that movie-goers recall advertising messages five to six times better than television viewers. According to a 2005 *Roper* study, cinema advertising audiences had a 73% unaided recall rate, compared with 13% for network television audiences as cited by a 2000 *Nielsen Media Research* study commissioned by the Cable Advertising Bureau. Unaided recall is measured by the ability of a viewer of an advertising message to name the advertiser without prompting.
- *Measured medium.* Exhibitors can provide weekly attendance information on a film-by-film, theatre-by-theatre or film rating category basis, which allows for the accurate reporting of audience size, as opposed to the extrapolations of small sample audiences used to measure television viewership. Cinema advertising is measured by third-party media measurement firms including *Arbitron* and *Nielsen Media Research*.

Audience Age of Cinema vs. Other Media



Source: Cinema Advertising Council.

The attractiveness of this medium has allowed cinema advertising providers to generate above average CPM rates as compared to more traditional media platforms. Given the high recall rates and targeted nature of this medium, advertisers can achieve their desired marketing results by more effectively reaching their chosen consumer segments while still achieving broad national reach. We believe the efficiency of this medium results in a higher return on investment for advertisers, and results in a better value proposition than traditional mass media platforms.

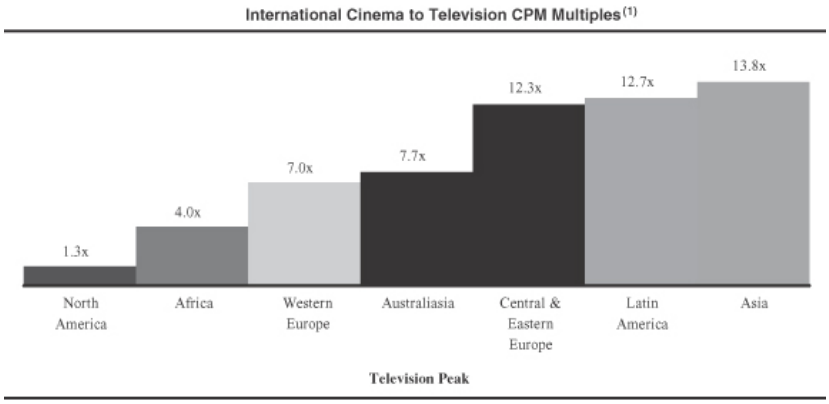


Source: TV Dimensions 2006, Media Dynamics, Inc. and NCM LLC.

(1) All data presented in the chart reflects the average CPM in the United States by medium for calendar year 2005, except for the NCM LLC data, which reflects its CPM range for the nine months ended September 28, 2006.

(2) Represents NCM LLC's National CPM range of $28.00 to $53.00, which varies based on commitment level, time of year and placement within the pre-show relative to the movie show time. The range represents the CPM for the middle 90% of total on-screen advertising contract revenue.

The attractiveness of cinema advertising relative to other media is also evident in international markets. For example, according to *a World Advertising Research Center* study, in 2003 cinema advertising sold at a premium CPM to peak television advertising in world markets other than the U.S., commanding a 7.0x premium in Western Europe, a 7.7x premium in Australasia, and a 13.8x premium in Asia. In North America the comparable premium was 1.3x. The consistency of cinema advertising's premium CPM across geographies attests to the enhanced value proposition it provides for advertisers relative to traditional media platforms.

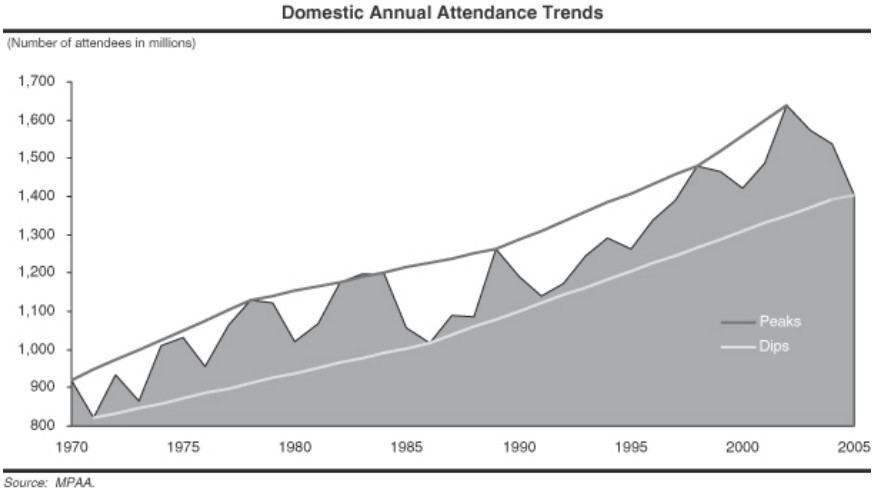


Source: World Advertising Research Center.
(1) Excludes Middle East.

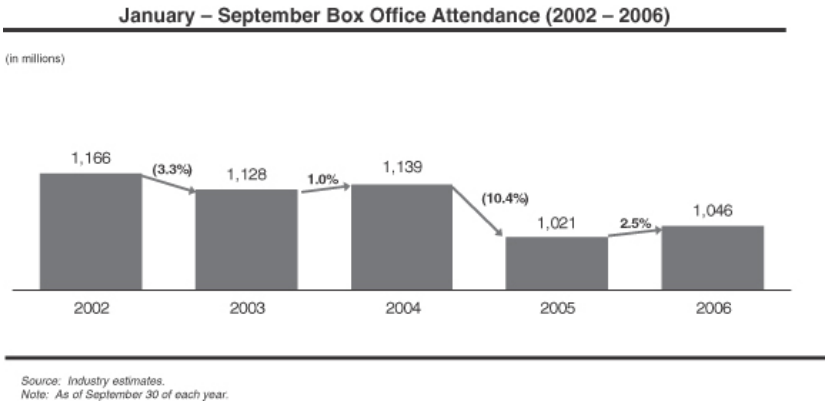
U.S. Film Exhibition Industry

The domestic motion picture exhibition industry is a mature business which has historically maintained long-term growth in revenue and attendance. According to the *MPAA*, total box office revenue and admissions have grown at a CAGR of approximately 5.4% and 1.2%, respectively, since 1970. In 2005, annual attendance was approximately 1.4 billion.

As shown by the chart below, the domestic motion picture exhibition industry has experienced long-term attendance growth with numerous cycles of long-term increases followed by short-term declines during the past 35 years. We believe the cyclical nature of attendance trends in the domestic motion picture exhibition industry is largely related to the supply, perceived quality and timing of release of feature films, along with the impact of changes in theatre quality and other entertainment technology and economic factors such as recessions. The industry has been relatively unaffected by downturns in the economic cycle, with attendance growing in three of the last five recessions.



Based on an industry publication, during the first nine months of 2006, total U.S. box office attendance was up 2.5% as compared to the first nine months of 2005, as set forth in the table below.



The December 2004 *King Brown* study, the March 2005 *Roper* study, the June 2005 *RH Bruskin Marketing, Inc*. study and the June 2006 *OTX Screening* study referenced in this prospectus were commissioned by us or RCM, our predecessor company. None of the other independent industry publications used in this prospectus were prepared or commissioned by us or our affiliates.

BUSINESS

Our Company

We operate the largest digital in-theatre network in North America that allows us to distribute advertising and other content for our advertising, meetings and events businesses utilizing our proprietary digital content network. Upon completion of this offering, we will have long-term exhibitor services agreements with our founding members—AMC, Cinemark and Regal, the three largest motion picture exhibition companies in the U.S.— and multi-year agreements with several other theatre operators whom we refer to as network affiliates. The exhibitor services agreements grant us exclusive rights, subject to limited exceptions, to sell advertising and meeting services and distribute entertainment programming in those theatres. The network affiliate agreements grant us exclusive rights, subject to limited exceptions, to sell advertising on their theatre screens.

We currently derive revenue principally from the following activities:

- ***Advertising***: We develop, produce, sell and distribute a branded, pre-feature entertainment and advertising program called "*FirstLook*," along with an advertising program for our lobby entertainment network and various marketing and promotional products in theatre lobbies;
- ***CineMeetings***: We facilitate live and pre-recorded networked and single-site meetings and corporate events in the movie theatres throughout our network; and
- ***Digital Programming Events (now known as NCM Fathom)***: We distribute live and pre-recorded concerts, sporting events and other entertainment programming content to theatres across our digital network.

We believe that the reach, scope and digital delivery capability of our network provide an effective platform for national, regional and local advertisers to reach a young, affluent and engaged audience on a highly targeted and measurable basis. Our network is currently located in 46 states and the District of Columbia and covers all of the top 25, as well as 49 of the top 50, DMAs®, and 149 DMAs® in total. During 2005, approximately 500 million patrons, representing 36% of the total U.S. theatre attendance, attended theatres operated by our founding members. As of September 28, 2006, we had a total of 12,973 screens in our network, as set forth in the table below:

Our Network*
(as of September 28, 2006)

	Theatres	Screens	
		Digital	Total
Founding Members	946	10,816	12,039
Network Affiliates	87	261	934
Total	1,033	11,077	12,973

* *Excludes Loews and Century.*

On January 26, 2006, AMC acquired the Loews theatre circuit. As of September 28, 2006, Loews operated approximately 107 theatres and 1,275 screens. The Loews screens will become part of our network on an exclusive basis beginning on June 1, 2008, subject to the run-out of certain pre-existing contractual obligations for on-screen advertising existing on May 31, 2008. During 2005, approximately 66.5 million movie patrons attended Loews' theatres in the United States.

On October 5, 2006, Cinemark acquired the Century theatre circuit. As of that date, Century operated 77 theatres with 1,017 screens. The Century screens were added to our network on an exclusive basis subject to limited exceptions. During Century's fiscal year ended September 28, 2006, approximately 49.6 million movie patrons attended Century's theatres in the United States.

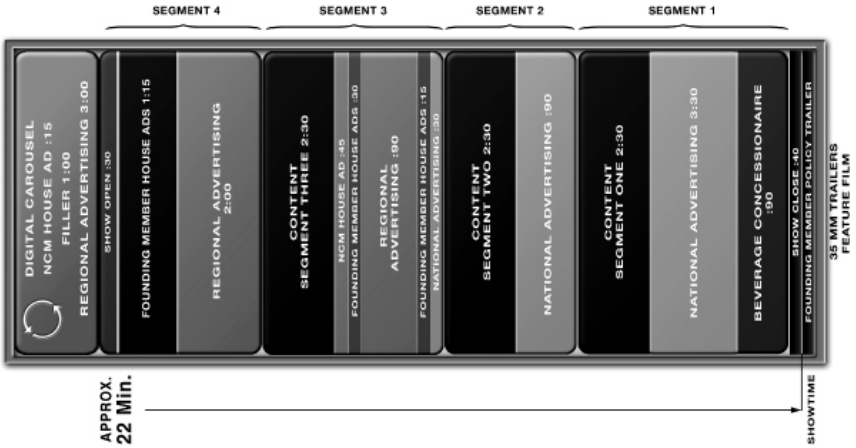
Through our *FirstLook* program, lobby entertainment network and other promotional products, we provide our advertisers with bundled offerings of on-screen and lobby marketing products that provide multiple touch points to interact with theatre patrons. We distribute our programming primarily through our proprietary digital content network. We also sell 35 mm slide and film-based advertising on 1,223 non-digital screens in our network operated by our founding members as of September 28, 2006, which represented less than 10% of our attendance during the year ended December 29, 2005. We expect the percentage of our attendance derived from non-digital screens to decline over time as these theatres are closed, renovated or converted to digital, providing us with additional national on-screen inventory and operating efficiencies.

During the three and nine months ended September 28, 2006, we generated pro forma revenue, operating income and adjusted EBITDA of $73.9 million, $38.9 million and $41.8 million and $188.1 million, $84.9 million and $93.4 million, respectively. Because Cinemark had a pre-existing contract with another cinema advertising provider, NCM LLC began selling advertising for Cinemark's screens on an exclusive basis beginning on January 1, 2006, subject to the run-out of certain pre-existing contractual obligations for on-screen advertising through April 1, 2006. For additional financial information about our business, see "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Financial Information" and NCM LLC's historical financial statements and related notes included elsewhere in this prospectus. See the notes to "Selected Historical Financial and Operating Data" for a discussion of the calculation of EBITDA. Our historical operating and pro forma results for these periods do not include quarterly payments that will be made by AMC to us pursuant to the Loews screen integration agreement as such payments will be recorded directly to our equity account for accounting purposes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Company Following the Completion of this Offering—Loews Payments."

On-Screen Advertising

Our on-screen digital pre-feature show consists of a national and regional *FirstLook* program and a local advertising presentation. The pre-feature show generally ranges in length from 20 to 30 minutes and ends at or about the advertised movie show time. National advertising is sold on a CPM basis, while local and regional advertising is sold on a per-screen, per-week basis. While we generally sell our network as one single national network, we also have the ability to sell portions of our network on a regional basis, offering various price points for national advertisers and expanding the range of potential buyers.

The illustration below demonstrates a typical *FirstLook* program layout:



The pre-feature show begins with a three to five-minute looping segment which consists of a digital carousel of static and moving slide images. This program can loop partially or repeatedly and provides a mechanism to contract or expand the pre-feature show depending on the time between feature film presentations. The digital slides shown at the beginning of the pre-feature show represent primarily local advertising, which generally is our lowest cost advertising inventory. We often bundle time in the digital slide presentation with other local on-screen or lobby advertising inventory.

Following the conclusion of the digital carousel, the branded *FirstLook* program commences with a digital full-motion presentation. In January 2006, *FirstLook* replaced the entertainment pre-shows of AMC and Regal in order to provide a more entertaining pre-feature program for theatre patrons and a more effective advertising platform. The *FirstLook* program integrates advertising with entertainment content segments from our content partners.

FirstLook is comprised of up to four segments, each approximately four to seven minutes in length. Segment four, the first section of *FirstLook*, begins approximately 20 minutes prior to the advertised show time and generally includes local and regional advertising. Segment four generally competes against the spot broadcast television market for advertising spending. Segment three typically begins approximately 15 minutes prior to the advertised show time. Segment three includes a two and one-half minute entertainment content segment from our content partners and advertising spots, usually from regional advertisers or national companies with limited advertising budgets.

Segment two and segment one run closest to the advertised show time and comprise our most valuable advertising inventory. Both segment two and segment one include a two and one-half minute entertainment content segment from our content partners and advertisements from national advertisers. Segment two and segment one begin approximately 11 minutes and six minutes, respectively, before the advertised show time.

The film trailers that typically run before the feature film are not part of *FirstLook*. Film trailers do not begin until after the *FirstLook* program ends.

Our entertainment content segments are provided to us under multi-year contractual arrangements with leading media companies that we refer to as content partners. Under the terms of these contracts, our content

partners make available to us original content segments and make long term commitments to buy a portion of our advertising inventory. Our content partners currently include Discovery Communications, Inc., or Discovery; NBC Universal, or NBC; Sony Pictures Entertainment, or Sony; Turner Broadcasting System Inc., or TBS; and Universal City Studios, or Universal. The original content produced by these partners typically features behind-the-scenes interviews with producers, directors and actors or "making-of" segments relating to feature films or upcoming broadcast television shows.

We offer multiple versions of *FirstLook* each month, generally tailored to a specific film rating category. This programming flexibility provides advertisers with the ability to target specific audience demographics and gives us the ability to ensure that the content and advertising is age-appropriate for the movie audience. We rotate the entertainment content segments between theatres approximately every two weeks to ensure that frequent movie-goers are entertained by fresh content.

Our goal in creating *FirstLook* as a branded entertainment program is to create a new "first release window" for advertising into the marketplace, similar to the way films are released first in cinemas. To that end, we encourage advertisers to provide us with advertisements before they are shown in other media platforms or with original content that is specifically created for cinema. We also offer pre- and post-production services to our clients for a fee to enhance the quality of the content we display.

The *FirstLook* program also includes up to two minutes for founding member advertisements to promote various activities associated with the operation of the theatres, including concessions, ticketing partners, gift card and loyalty programs, special events presented by the founding member and vendors of services provided to theatres, so long as such promotion is incidental to the vendor's service. This time is provided by us to the founding members at no charge and includes 45 seconds within 15 minutes of show time, 15 seconds of which will be placed within 11 minutes of show time, and the remainder placed at our discretion. We may move the placement of the founding member advertisements up to one minute further from the advertised movie show time if NCM LLC sells additional advertising units to third parties that follow the founding member advertisements.

Under the exhibitor services agreements, the last 90 seconds of the *FirstLook* program will be sold to the founding members to satisfy their on-screen advertising commitments under their beverage concessionaire agreements. The arrangements with our founding members relating to on-screen advertising for their beverage concessionaires and the agreements with our content partners represented approximately 37.8% of our total revenue for the nine months ended September 28, 2006 on a pro forma basis.

We believe *FirstLook* has been well received by patrons. In a study conducted for us by *OTX Screenings* in June 2006, 70% of those surveyed found *FirstLook* to be "very" or "somewhat" entertaining and nearly half said that *FirstLook* had a "very" or "somewhat" positive effect on their movie-going experience. In a separate study conducted by *King Brown* in 2004, 74% of respondents indicated they preferred a branded, pre-feature entertainment and advertising program such as *FirstLook* to a traditional advertising slide show.

Lobby Network and Promotions

Lobby Entertainment Network. Our lobby entertainment network is a network of television and high-definition plasma screens located throughout the lobbies of most of our digitally equipped theatres. As of September 28, 2006, we had 1,722 screens in 670 theatres connected to our digital content network. The lobby entertainment network screens are strategically placed in high-traffic locations such as concession stands and auditorium waiting areas. Programming on our lobby entertainment network consists of an approximately 30-minute loop of five branded entertainment content segments created specifically for the lobby with advertisements running between each segment. Our lobby entertainment network programming is distributed by our network operations center and has the same programming flexibility as the *FirstLook* on-screen programming. The lobby entertainment network is currently displaying the same program simultaneously on all screens within a given theatre, which we believe provides the maximum impact for our advertisers. A study of

our lobby entertainment network conducted by *RH Bruskin Marketing, Inc*. in June 2005 showed that the combination of screen placement, high-impact content and advertising produced recall rates that were three times those of prime time television advertising. We sell advertising on the lobby entertainment network individually or bundled with on-screen or other lobby promotions. The lobby entertainment network programming includes up to two minutes for founding member advertisements to promote activities associated with the operation of the theatres, including concessions, ticketing partners, gift card and loyalty programs, special events presented by the founding member, vendors of services provided to theatres, so long as such promotion is incidental to the vendor's service. Additionally, subject to certain limitations, the lobby entertainment network programming includes up to two minutes, one minute of which we provide to the founding member at no cost and one minute of which the founding member may purchase, to promote certain non-exclusive cross-marketing relationships entered into by the founding members for the purpose of increasing attendance or revenue, other than from advertising, which we call strategic programs.

Under the terms of the exhibitor services agreements, the founding members also have the right to install additional screens in their theatre lobbies, which would not display our lobby entertainment network programming, and would be used to promote their theatre concessions, ticketing partners, gift card and loyalty programs, special events presented by the founding member and vendors of services provided to theatres, so long as such promotion is incidental to the vendor's service.

Lobby Promotions. We also sell a wide variety of advertising and promotional products in our theatre lobbies. These products can be sold individually or bundled with an on-screen or lobby entertainment network advertising package. Lobby promotions typically include:

- advertising on tickets and concession items such as beverage cups, popcorn bags and kids' trays;
- coupons and promotional materials, which are customizable by film or film rating category and are distributed to ticket buyers at the box office;
- product sampling and display; and
- signage throughout the lobbies, including posters, banners, counter cards, danglers, floor mats, standees and window clings.

Under the terms of the exhibitor services agreements, the founding members may conduct a limited number of lobby promotions at no charge in connection with their strategic programs.

Our ability to provide in-lobby marketing and promotional placements in conjunction with our other marketing solutions allows us to provide integrated marketing products to advertisers with multiple interactions with theatre patrons throughout the movie-going experience, which we believe is a competitive advantage over other national media platforms.

CineMeetings

Our CineMeetings business facilitates live and pre-recorded networked and single-site business meetings and corporate events in movie theatres. These events are typically scheduled from Monday through Thursday during off-peak hours while theatre attendance for movies is traditionally low. Clients can communicate on a live basis to audiences located in auditoriums connected to our cinema broadcast network. As of September 28, 2006, there were 119 locations set up to accommodate live broadcasts. At our digital content network locations, in-person presentations or pre-recorded content can be presented. Event content broadcast over our cinema broadcast network or digital content network is encrypted to protect against piracy.

We offer meetings that enhance the educational and entertainment value of a presentation by utilizing the big screen, stadium seating, high-resolution digital projection and audio. Our network also facilitates large meetings in multiple locations across the U.S. We provide centralized event management including booking,

event coordination and execution, technical support, promotional tools, advanced audio/visual technologies and catering services. We are able to offer customers a single point of contact and standardized pricing across our network, which dramatically increases the efficiency of booking multi-location events for our clients. We promote our CineMeetings business throughout the theatre. Recent CineMeetings events have included corporate meetings, training seminars, product launches, religious services and sales and marketing events.

Digital Programming Events (NCM Fathom)

Our digital programming events business focuses on the licensing and distribution of entertainment programming products and the sale of sponsorships associated with live or pre-recorded programming on an event-by-event basis or for a series of events. In January 2007, we branded our digital programming events business NCM Fathom. Our digital content network provides a highly attractive high-definition distribution network for this type of programming and promotional opportunities for national brands. Our digital programming events include live and pre-recorded concerts and music events, DVD product releases, marketing events, theatrical premieres, Broadway plays, live sporting events and other special events. Recent events have included concerts by musical performers such as Bruce Springsteen, the Rolling Stones, Phish and Prince, and broadcasts of sporting events such as the Tour de France and marketing events for the DVD releases of *Wedding Crashers* and *The Boondock Saints*. Event content is broadcast over either our cinema broadcast network or our digital content network and encrypted for piracy protection. As of September 28, 2006, our network has the capability to deliver:

- live high-definition content to 119 theatres with up to four screens per theatre;
- live standard definition content to 173 theatres with up to four screens per theatre; and
- high-definition pre-recorded content to virtually all of the 11,077 digital screens in our network.

We advertise digital programming events on our network either through a digital trailer shown after *FirstLook* or during *FirstLook* using unsold advertising inventory. Clients who buy event sponsorships associated with digital programming events may use any one of our other advertising services in order to market their brands or products.

In 2005, our digital programming events business held 15 events. In 2006, we held 22 events, and we have 13-15 events planned for the first half of 2007. In May 2006, we signed music content and cross-marketing agreements with Live Nation and Network LIVE, two of the largest concert promoters in the world, based on the number of tickets sold worldwide in 2005. We believe these new partnerships will provide us with a consistent supply of music programming and an additional marketing channel. In the fourth quarter of 2006, Network LIVE dissolved and NCM LLC began working with Control Room, which has taken over production of the content formerly produced by Network LIVE. NCM LLC intends to negotiate a term sheet with Control Room, and already has distributed content produced by Control Room across our network.

Our Competitive Strengths

We believe that our key competitive strengths include:

Superior, Targeted National Advertising Network

Our national advertising network delivers a young and affluent audience that we believe allows for effective targeting of marketing messages and measurable results, yielding a superior return on investment for advertisers as compared to many traditional media platforms. As a result, we are able to compete effectively for marketing spending by advertisers and have developed relationships with a diversified group of local, regional and national advertising brands and agencies throughout the United States.

- **Extensive National Market Coverage.** Our contractual agreements with our founding members provide exclusive access, subject to limited exceptions, to the largest network of digitally equipped theatres in the United States and allow us to sell advertising nationwide which we distribute using our

digital content network. We also have contractual agreements with our network affiliates that give us the exclusive right, subject to limited exceptions, to sell advertising on their theatre screens. As of September 28, 2006, our network included 11,077 digital screens and 12,973 screens in total, located in 1,033 theatres in 46 states and the District of Columbia. The attendance of the 946 theatres operated by our founding members totaled approximately 500 million during 2005, which represented approximately 36% of the total U.S. theatre attendance for that year, as reported by the MPAA. Our network also provides us with access to some of the most modern and highly attended theatres in the industry, as measured by screens per location and attendance per screen operated by our founding members. The average screens per theatre in our network was 12.6, twice the U.S. theatre industry average, the aggregate attendance per screen of theatres operated by our founding members as of September 28, 2006, was 41,482, 12% higher than the U.S. theatre industry of 37,096, as reported by the National Association of Theatre Owners, or NATO, as of December 31, 2005. Also, our theatre network has access to key media markets, including all of the top 25, as well as, 49 of the top 50, U.S. DMAs®, and 149 DMAs® in total. Approximately 78% of our screens are located within the top 50 U.S. DMAs®. The addition of the Loews and Century theatres will expand our national market coverage and presence in key U.S. DMAs®.

- **Targeted, Flexible Advertising Medium.** Our digital network technology gives us flexibility in distributing content to our entire audience, or to specific theatres, geographic regions, or demographic groups based on film or film rating category. As a result, our clients can deliver a targeted advertising message utilizing sight, sound and motion across our expansive network. Our technology also shortens distribution lead times, reduces operating costs and enables us to respond quickly to client requests to change advertising content.
- **Access to a Highly Attractive Demographic Segment.** We offer advertisers the ability to reach young and affluent consumers. According to a *Nielsen Media Research* study conducted in the first quarter of 2006, typical movie-goers are young, with 45% between the ages of 12-34; affluent, with a mean household income of over $67,000 compared to a national mean of $60,523; and well-educated, 39% having a college or post-graduate degree compared to 28% of the general population. We believe that this demographic is highly sought after by advertisers and is difficult to reach effectively using traditional media platforms.
- **Engaged Theatre Audience.** We believe that cinema advertising benefits from the visual quality and impact of the "big screen" and digital surround sound presented in a distraction-free environment. According to industry studies, theatre advertising is five to six times more effective than advertising shown on television in terms of unaided recall rates. Cinema advertising is one of the few media platforms that the viewer does not have the ability to skip or turn off.
- **Superior Audience Measurability.** We receive film-by-film, rating-by-rating and theatre-by-theatre attendance information weekly from our founding members, which allows us to report to clients the audience size that viewed an advertisement. We believe this unique ability to provide advertisers with actual audience counts gives us a distinct competitive advantage over traditional media platforms. We also provide our advertisers with information regarding the demographics of the cinema audience and the effectiveness of a given advertisement using research from several third-party research companies such as *Nielsen Media Research* and *Arbitron*. We also work closely with third-party research companies to measure the recall, likeability, and brand message of our cinema advertisements.

Innovative, Branded Digital Pre-Feature Content

We believe that our digital entertainment and advertising pre-feature program, *FirstLook*, provides a high-quality entertainment experience for patrons and an effective marketing platform for advertisers. We have branded our pre-feature show, *FirstLook*, to reinforce our goal of creating the "first release window" for advertising into the marketplace, similar to the way that films are released first in cinemas. This strategy will provide more original content for the audience and more impact for the advertiser. We have also designed the

FirstLook program to ensure that advertisements of similar production quality are shown together and that all advertisements end by the advertised show time. According to customer research conducted by us and independent research companies, the production of a higher quality branded pre-feature program improves the entertainment experience for patrons and the effectiveness of the advertising message.

Integrated Marketing Products

In addition to providing on-screen advertising opportunities using our digital content network, we offer advertisers the opportunity to integrate and reinforce their on-screen advertisements with various in-lobby marketing. Our in-lobby marketing programs include advertisements sold on television or high-definition plasma screens, posters, tickets, box office coupon handouts, popcorn bags and beverage cups and on-site product sampling opportunities. By integrating our in-lobby marketing products with on-screen advertising, patrons are exposed to consistent marketing messages through multiple touch points during the entire movie-going experience. According to a study we commissioned in June 2005, movie patrons across our network theatres spend, on average, nine minutes in the theatre lobby prior to going into the auditorium, including time at the concession stand. By integrating on-screen advertising with our in-lobby marketing programs, we believe our advertisers can extend the exposure for their brands and products and create an interactive "relationship" with the consumer that is not available with broadcast television or traditional display advertising. Our marketing team assists advertisers in creating entertaining, fully integrated cinema marketing campaigns with maximum impact.

Scalable, State-of-the-Art Content Distribution Technology

Our proprietary software provides many distribution, scheduling, reporting and auditing features. The flexibility of our digital content system allows us to create different versions of *FirstLook* and our lobby entertainment network programming and to distribute these programs by theatre, region, film or film rating category. Our technology also provides the ability to electronically change advertisements from our network operations center as needed by advertising clients which shortens lead times, provides increased flexibility to change messages or target specific audiences, facilitate two-way interaction amongst participants attending meetings in our auditoriums and significantly reduces the cost as compared to distributing advertisements on 35 mm film. Our network operations center, digital content system and other network software provide us with the capability to monitor over 35,000 network devices and more than 143,000 alarm points within our theatre network on a real-time 24/7 basis, providing the high network reliability and timely reporting required by our advertising clients. Our use of satellite network technology, combined with the design and functionality of our digital content system software and network operations center infrastructure make our network efficient and scalable, providing the capacity to expand as needed. While our network capabilities are now primarily used within the theatre environment, we believe they could be easily adapted to other out-of-home environments.

We believe that our business is scalable because we can add new theatres to our digital content network without incurring significant operating costs or making significant capital expenditures. Since we have already made investments in our network operations center, satellite bandwidth and other network infrastructure, a new theatre may be connected to our digital content network with the installation of a minimal amount of additional equipment.

Strong Operating Margins with Limited Capital Requirements

A significant portion of our advertising inventory is covered by multi-year contracts with our content partners and arrangements to satisfy our founding members' on-screen marketing obligations to their beverage concessionaires. These contracts accounted for 30.0% of our total pro forma revenue in the three months ended September 28, 2006, and 37.8% of our total pro forma revenue in the nine months ended September 28, 2006, each on a pro forma basis. Our operating margins, before circuit share expense to our founding members, have been consistently strong since our inception, at 68.8% for the three months ended September 28, 2006, and 64.1% in the nine months ended September 28, 2006, on a pro forma basis. Our founding members have also invested substantial capital to deploy, expand and upgrade the network within their theatres. Due to the network

investments made by our founding members in new and acquired theatres and the scalable nature of our business model, we do not expect to make major capital investments to grow our operations as our network of theatres expands. The combination of our strong operating margins and our limited capital expenditures has allowed us to generate significant free cash flow (defined as net income (or loss) plus depreciation and amortization and minus capital expenditures) before distributions to our founding members. In the nine months ended September 28, 2006, our capital expenditures were $4.3 million. We believe our expected level of free cash flow generation will provide us with the strategic and financial flexibility to pursue growth opportunities, support our debt payments and make dividend payments to our stockholders.

Experienced Management Team

Our management team has significant experience in advertising sales and marketing, theatre operations, digital network design and operations, and finance. The majority of our senior management team was assembled during the formation of RCM, our predecessor company, in early 2002 and thus has worked together for several years building our business. Our senior management has many years of experience in their respective areas of expertise. We believe that our senior management team will be able to effectively grow our business through continued operating improvement and expansion of our products and services.

Our Strategy

Our primary strategic initiatives are to:

Increase Inventory Utilization

We intend to increase our market share of U.S. advertising spending by expanding commercial relationships with our existing advertising clients and by growing our advertising client base. We also intend to continue to improve our level of client service, including the development of new research and return on investment, or ROI, measurement tools. While an increasing number of companies now make cinema advertising part of their media
buying plan, there are still many large advertisers and product categories, such as packaged goods companies, quick—service restaurants, big-box retailers and financial services firms, that do not yet include meaningful cinema advertising expenditures in their marketing budgets. We believe that over time, as awareness of and third-party data on the effectiveness of cinema advertising grows, we will be able to increase our revenue from these advertising categories.

Since our formation, we increased the amount of regional advertising in our pre-feature show from those of our predecessor company and have begun to more aggressively market and grow our local and regional advertising business. For example, we recently created a new senior sales position to focus exclusively on larger regional clients such as car dealer associations, and quick-service restaurant advertising co-ops. We have also started to experiment with direct marketing campaigns to businesses within a specified radius of our network theatres, with very positive results. For example, we created a marketing plan for Six Flags, Inc. by selling advertising on screens within a 150-mile radius of all of its theme parks. This campaign was combined with theatre lobby promotions and advertising. Due to the relatively low percentage of local and regional advertising inventory sold today, we believe that a growth opportunity exists for further development of this business segment.

Increase Our National CPM

In 2005, our national on-screen advertising CPM was approximately 1.2 times the average U.S. primetime network television CPM as reported by *Media Dynamics, Inc*. We believe that this premium does not yet fully reflect the highly targeted nature of our impressions, higher recall rates, ability to provide informative audience data to our clients and, most importantly, the inability to turn off or skip our advertising messages. According to a *World Advertising Research Center* study, cinema advertising CPMs as a multiple of primetime network

television CPMs in more mature cinema advertising markets such as Europe and Australia are as much as 7 times higher than they are in the United States. Therefore, we believe that there is an opportunity for continued CPM growth, especially as our inventory utilization increases, providing a more favorable supply-demand dynamic.

Expand Our Geographic Coverage and Reach

We intend to expand the reach and geographic coverage of our national digital network by connecting additional theatres to our network that our founding members buy or build and through additional network affiliate agreements with other theatre circuits. Our strategy for attracting new network affiliates is to focus primarily on larger regional circuits in the larger metropolitan areas or in geographic areas where we do not currently have significant market coverage.

Provide Integrated Marketing Solutions to our Clients

We strive to differentiate ourselves amongst other media platforms. Advertising clients are increasingly seeking new ways to create direct relationships and touch points with customers, which our lobby advertising facilitates. We allow clients to benefit from the brand exposure provided by the high impact of the "big screen," while at the same time allowing theatre patrons an opportunity to actually experience the advertised product through sampling or displays in the lobbies. We believe that our ability to provide both sight, sound and motion brand advertising and direct consumer touch points on an integrated basis in the same location is something that no other advertising medium can provide as effectively. Also, since many of these lobby products have not been available across our entire network until recently, we believe that there is an opportunity to further increase the sale of these products in the future.

Increase Market Awareness Of Our CineMeetings Business to Expand Our Client Base and Increase Revenue

Our CineMeetings business provides a new type of venue for corporate meetings that offers advantages over hotels and other traditional meeting venues. Unlike traditional venues, we provide a single point of contact for national event booking and coordination and utilize digital distribution and projection technology. In addition we also have the ability to bundle meetings with the screening of a film, sometimes before the film opens to the general public, in a product known as "Meeting and a Movie." We believe we can attract more clients to our network theatres and increase the revenue of our CineMeetings business by raising market awareness of the unique benefits of hosting meetings at our locations and increasing the number of theatres equipped to host live broadcasts. We have employed several local and national marketing strategies to communicate the value proposition associated with our CineMeetings business, including advertising in theatres within the *FirstLook* pre-show program, improving the focus of our Internet advertising, implementing a direct mailing effort to Fortune 500 CEOs and holding demand generation seminars for meeting planners in our network theatres.

These and other marketing strategies, including more aggressive efforts by our CineMeetings sales force and cross-selling by our advertising sales force, have lead to an expansion of our client base and a 38.3% and 94.4% increase in CineMeetings event sites and revenue, respectively, for the three months ended September 28, 2006 versus the three months ended September 29, 2005. In addition, during August 2006, we contracted with a nationally recognized company to host the largest event in the history of the CineMeetings business for approximately 2,200 meeting sites during the fourth quarter.

Expand Our Live and Pre-Recorded Digital Programming Events Businesses

We will continue to expand and improve the technical capabilities of our digital content network and cinema broadcast network. Today, virtually all of our digitally equipped screens have the capability to show pre-recorded content. We are upgrading our digital content system software so that it can handle distribution of large digital files associated with our digital programming events business. While the opportunity to participate in distribution

of content in a digital cinema environment is in its infancy today, we believe that our existing network and digital content network technology position us well to be able to expand these uses of our network theatres in the future. We expect the improvements to and expansion of our network will broaden our capabilities to distribute various kinds of live and pre-recorded meeting services and entertainment programming to a larger audience. By expanding our live distribution capabilities, we believe we will be able to attract more non-film live and pre-recorded digital programming events, and, as a result, increase our event ticket and sponsorship revenue. We will also look to form strategic alliances to gain access to high quality content. For example, in May 2006, we signed content supply and cross-marketing agreements with Live Nation and Network LIVE. In fall 2006, Network LIVE dissolved and NCM LLC began working with Control Room, which has taken over production of the content formerly produced by Network LIVE. NCM LLC intends to negotiate a term sheet with Control Room, and already has distributed content produced by Control Room across our network.

Upgrade our Advertising Sales and Inventory Management Systems

We are currently upgrading and improving our advertising sales and inventory management systems. We believe that these upgrades and improvements will enable us to respond more promptly to client requests for proposals, and will provide real-time access to pricing and availability information that allows us to manage our inventory more efficiently, improve our management reporting and data analysis and increase the number of our network affiliates at a quicker pace.

Develop New Marketing and Distribution Platforms that Leverage Our Existing Assets

We are exploring several initiatives that are meant to leverage our existing technology, distribution platform and sales and marketing infrastructure, including the following:

Entertainment Magazine—We are currently negotiating a joint venture with a well-known entertainment magazine to create a similar entertainment magazine that will be distributed in our founding members' theatres in the United States. This magazine is already a successful publication in the film exhibition market outside of the United States. The magazine will include advertising sold by the joint venture's sales force and by our sales force. We currently intend to launch the magazine late in 2007. In exchange for making the theatres in our network available for distribution of the magazine, we will receive an ownership interest in the venture, which we expect to be funded by private equity or a strategic partner.

New Out-of-Home Networks—Retail businesses including department stores, convenience stores and health clubs have begun to deploy advertising networks consisting of in-store televisions and plasma screens. We believe that targeted advertising will continue to grow in importance as a percentage of advertising spending and that networks in other retail environments will continue to develop. Importantly, we believe that our distribution technology, sales force, other existing operating infrastructure and client relationships could create growth opportunities for us in these other retail environments.

Internet Sites—We have developed and maintain several web sites including our corporate site and sites for our various businesses. As we expand some of our consumer-oriented businesses such as our planned magazine business and digital programming events business, we expect that the traffic on those sites to increase to a level that could provide an opportunity to sell advertising and provide research data. For example, we plan to create a branded entertainment web site in connection with the entertainment magazine, on which we and the venture will sell advertising. By selling the advertising through our existing sales forces and bundling the Internet offerings with our existing in-theatre advertising products, we believe that a new high margin revenue stream could be developed.

Agreements with Our Founding Members

Exhibitor Services Agreements

NCM LLC has been the exclusive provider of in-theatre advertising (subject to certain pre-existing contractual obligations for on-screen advertising and other limited exceptions for the benefit of the founding

members) in the founding members' theatres pursuant to agreements entered into with AMC and Regal in March 2005 and with Cinemark in July 2005. These agreements contain NCM LLC's obligation to provide on-screen and lobby advertising and the founding members' obligation to exhibit advertising on the theatre and lobby screens and in theatre lobbies. They also set forth the terms on which the founding members participate in our CineMeetings and digital programming events businesses.

In connection with the completion of this offering, we will enter into amended and restated exhibitor services agreements with our founding members. Key provisions of the new agreements will include:

- a term of 30 years (the term relating to CineMeetings and digital programming will be approximately five years with provisions for automatic renewal if certain financial performance conditions are met);
- a five-year right of first refusal, which begins one year prior to the end of the term of the exhibitor services agreement;
- exclusive rights to provide advertising for the founding members' theatres subject to the founding members' rights to do the following on a limited basis:
  - promote activities associated with theatre operations, on screen, on the lobby entertainment network and in the lobby (including on additional video screens in theatre lobbies); and
  - promote, on the lobby entertainment network and in theatre lobbies only, certain non-exclusive cross-marketing arrangements with third parties entered into by the founding members which are designed to promote the theatres and the movie-going experience to increase attendance and revenue;
- payment of a monthly theatre access fee to the founding members;
- a requirement that the founding members purchase up to 90 seconds of on-screen advertising time during the pre-feature program at a negotiated rate (intended to approximate a market rate) in order to satisfy the founding members' obligation to provide certain on-screen advertising to their beverage concessionaires pursuant to their beverage concessionaire agreements; and
- primary responsibility of NCM LLC to obtain, repair and replace the equipment necessary to operate the digital content network and primary responsibility of the founding members to fund the installation and replacement of the equipment.

See "Certain Relationships and Related Party Transactions—Transactions with Founding Members—Exhibitor Services Agreements" below.

Agreements with Our Network Affiliates

NCM LLC has assumed agreements with certain network affiliates from a subsidiary of AMC, pursuant to which NCM LLC provides them with advertising services. The relationship between NCM LLC and three of the network affiliates is governed by the terms of three substantially similar agreements. Each of these three agreements provides that NCM LLC will pay the network affiliate a portion of the revenue from the advertising sold by NCM LLC, or at least a minimum annual payment per screen per year in exchange for showing NCM LLC advertisements in the theatres. The agreements allow for NCM LLC to be the exclusive provider of on-screen advertising for the network affiliates, subject to certain limitations, and each agreement expires during 2007. Pursuant to the fourth agreement, NCM LLC agrees to pay this network affiliate a monthly share of the proceeds from advertising sold by NCM LLC, or at least a minimum annual payment. The network affiliate agrees not to distribute any on-screen or in-theatre advertising product that competes with NCM LLC. This agreement will renew for a three-year term on December 31, 2007, unless written notice is given at least 90 days before December 31, 2007. Pursuant to the fifth agreement, NCM LLC agrees to pay this network affiliate a monthly share of the proceeds from advertising sold by NCM LLC, or at least a minimum annual payment. NCM LLC is the exclusive provider of any on-screen 35 mm "rolling stock" advertising for this network affiliate. This agreement expired December 31, 2006 and NCM LLC is currently negotiating an extension. NCM

LLC has six-month run out rights which will allow NCM LLC to display advertising sold on or before December 31, 2006 on the network affiliate screens through June 30, 2007. NCM had assumed from a subsidiary of AMC agreements with two additional network affiliates. These agreements were terminated in 2005 and 2006.

In addition, NCM LLC has assumed from a subsidiary of Regal an agreement with an additional network affiliate that had the digital content network installed. Pursuant to this agreement, NCM LLC agrees to pay the network affiliate a percentage of the revenue generated by the advertising offset by a minimum annual payment paid to the network affiliate annually. NCM LLC is the exclusive representative with respect to procurement of advertising for the pre-feature program and video display program in the network affiliate's theatres. This agreement expires on September 16, 2009, or upon giving notice in specified circumstances.

Digital Cinema

We expect that we will assign an engagement letter we have entered into with J.P. Morgan Securities Inc. and a consulting contract we have entered into with Travis Reid, former Loews Cineplex Entertainment President and CEO, who is leading the effort to create a business plan and financing model for digital cinema with the major motion picture studios, to an entity to be formed and owned by our founding members. We anticipate that the new entity will manage the implementation of the business plan, including the establishment of an unrelated entity to purchase digital cinema equipment and enter into the associated financings. Neither NCM Inc. nor any of our subsidiaries will have an ownership interest in the unrelated entity. These future developments are subject to the plans of our founding members. We are discussing with our founding members what role, if any, we will have in providing services to this new entity, either on a transitional or an ongoing basis. The terms of any such services will be subject to the approval of our audit committee, or another committee comprised entirely of independent members of our board.

Our provision of services to this venture, if any, could provide us with several benefits, including additional revenue from the digital cinema services agreement. If our founding members choose to deploy the plans that we develop, we will be better positioned to integrate the operational and technological needs of our advertising and digital programming events businesses into the digital cinema systems that may be deployed into theatres.

Sales and Marketing

In-Theatre Advertising. We sell and market our in-theatre advertising through our national and regional/local sales and marketing groups.

Our national sales staff of 29 people as of September 28, 2006, is located across the country in our four national sales offices in New York, Woodland Hills (outside Los Angeles), Chicago and Detroit. Approximately 33% of the compensation for the national sales staff is variable and commission-based, with commissions shared across the team in order to enhance coordination and teamwork. Our national sales organization is highly scalable and has successfully increased sales per person by approximately 28% since March 2005. We expect this trend to continue as our products and services gain greater acceptance by advertisers and continue to expand our customer and revenue base.

Our regional and local sales staff of 107 people as of September 28, 2006, is located throughout the country, covering approximately 121 screens each and selling directly to our regional and local clients. Approximately 75% of the compensation for local sales staff is variable based on a commission of collected sales.

During 2005, we created a new senior sales position to focus exclusively on larger regional clients (such as car dealer associations, quick-service restaurant advertising co-ops and state lotteries). We believe sales to regional clients represent a significant growth opportunity and will allow us to increase utilization in the earlier segments of our pre-feature show.

Over the past four years we have increased our advertising revenue base by expanding the number of clients and product categories through sales outreach. We aggressively plan meetings directly with clients and with advertising agencies to educate them on the merits of cinema advertising. We also have a three-person public relations department and a seven-person research department and have commissioned third-party market research on the effectiveness of cinema advertising. This research has provided our customers with compelling statistical evidence of the superiority of our product relative to other broadcast advertising based on metrics such as brand recognition, message recall, and likeability. We believe we are making significant progress toward establishing cinema advertising as a more accountable and effective advertising medium relative to other traditional advertising media and capturing increasing market share from those media.

CineMeetings. We have a staff of 41 people as of September 28, 2006, who are dedicated to sales and marketing of our meetings business. In fiscal 2005, we facilitated over 6,900 meetings.

Digital Programming Events (NCM Fathom). We have a staff of eight people as of September 28, 2006, who are dedicated to sales and marketing of our digital programming events. Over the last year, we have successfully expanded this business segment from 15 events attended by approximately 88,000 patrons throughout 2005, to 15 events attended by approximately 187,000 patrons in the first nine months of 2006.

Media and Creative Services

Our media and creative services division uses state of the art, proprietary technologies and practices to ensure the highest possible cinema quality presentation of all on-screen content. We believe the expertise of this group in optimizing content for cinema playback has been instrumental in our ability to provide a better experience for the theatre patron and to enhance our ability to attract and retain our on-screen advertising customers. We provide a full spectrum of post-production services to our clients for a fee, including audio enhancements, color correction and noise reduction and will also upconvert standard definition content to the high-definition, surround sound cinema quality format we distribute over our digital content network, ensuring a pristine, high impact presentation of our clients' content. Our expertise in tailoring advertisements developed for television for high-definition cinema playback facilitates the ability of national advertisers to display content that optimizes the big-screen format. We also offer creative services to our clients, developing full sight, sound and motion high-definition advertisements from concept to completion. Our founding members and significant number of regional advertisers engage us for the production of their on-screen advertisements. This service substantially reduces the obstacles for smaller clients to invest in cinema-quality advertising. Additionally, our media and creative services ensure the consistent image and sound quality of the pre-feature and event content distributed over our network, which we believe has a positive impact on the audience reaction to and recall of our content and the overall quality of movie-goers' experience.

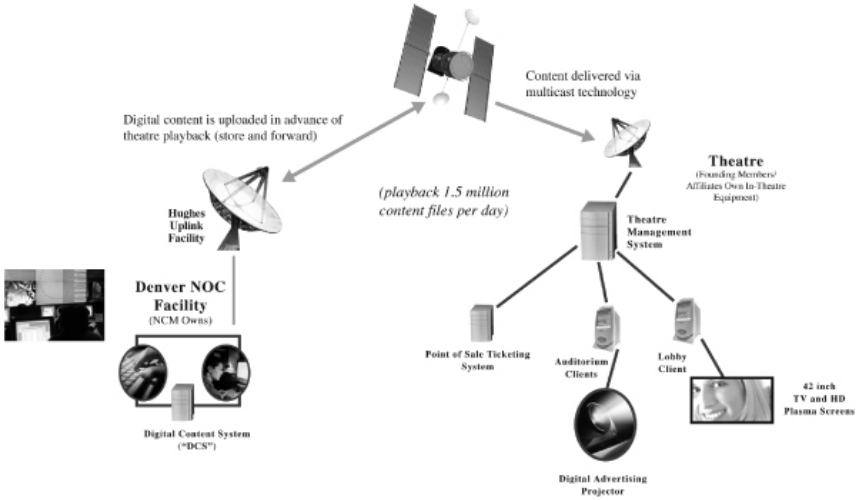
Technology

We utilize digital media, software and network technologies to deliver high-quality cinema advertising, meeting services and digital programming events to screens at our network theatres. These technologies facilitate a higher quality entertainment experience than the slide projectors and 35 mm "rolling stock" traditionally used in cinema advertising. Moreover, our technology allows us to deliver targeted, measurable advertising messages to consumers and efficiently monitor the on-screen playback.

We employ two satellite networks to distribute content to our theatres. Our digital content network satellite, which is operated by Hughes, is used to distribute our *FirstLook* content to 11,077 screens, 833 theatres and over 2 million seats. Our cinema broadcast network satellite is used to support our digital programming efforts by broadcasting live feeds to 292 screens in 119 theatres and over 82,000 seats. We contract for transponder time on the cinema broadcast network satellite only when we have digital programming events to distribute over the cinema broadcast network.

The satellite technology we use to deliver data provides a cost-effective means to deliver content to theatres. We employ a variety of technologies that "wrap" around the satellite process to help ensure uninterrupted service to theatres. For example, our digital content system has automated implementation capabilities that allow for data files to be multicast to theatres over a large footprint. Our digital content system interfaced with the Hughes software also possesses the ability to dynamically control the quality, timing and completeness of content. The integrated digital content network/digital content system is controlled by our network operations center, which supports and monitors over 35,000 in-theatre hardware devices and more than 143,000 alarm points on the network.

Through our network operations center, we have access to and can monitor and initiate repairs to the equipment in our entire digital network of theatres. Our network operations center operates 24 hours a day, seven days a week.



As shown in the above diagram, the finalized content is uploaded from our network operations center through the digital content network to theatres well in advance of use. The content will be delivered via multicast technology to all theatres in our network and received by our theatre management system where it is held until displayed according to its contract terms in specified theatre auditoriums. Each theatre auditorium has a client-server architecture that controls the content to be shown in the auditoriums or in the lobby. After the theatre management system receives digital content from the digital content network, confirmation of content playback is returned via the Hughes satellite to our network operations center.

We have a disaster recovery project underway that will provide backup for critical applications at an off-site facility in the event of a catastrophic failure at our network operations center. This facility, to be located in Salt Lake City, will co-locate our servers in an environmentally secure data center. Installation of the data circuits, server and other equipment began in September 2006 and is expected to be completed by the end of the first quarter of 2007. We expect to execute the disaster recovery test plan in 2007 and execute it annually thereafter.

Customers

Advertising Customers. Our advertising business has a diverse customer base, consisting of national, regional and local advertisers. We have business relationships with many national advertisers across a wide variety of industries, such as apparel / accessories, automotive, confectionary, credit card, entertainment, personal care, retail, telecommunications and video games, as well as branches of the armed forces. We derived 76% of our advertising revenue from our national accounts during the nine months ended September 28, 2006. We also have relationships with many regional and local advertisers across the country and with advertising agencies.

Each of our founding members have a relationship with a beverage concessionaire under which they are obligated to provide up to 90 seconds of on-screen advertising time as part of their agreement to purchase syrup. Under our prior agreements with our founding members, NCM LLC was to satisfy the founding members' obligation without charge through December 2009. The exhibitor services agreements will provide for the founding members' purchase of this on-screen advertising time at a negotiated rate (intended to approximate a market rate) in order to satisfy the founding members' obligation to provide this advertising.

Content Partners. We have contractual relationships that provide entertainment content segments in the *FirstLook* program and minimum annual advertising spending commitments with Discovery, NBC, Sony, TBS and Universal. These agreements generally provide that the non-commercial content segments are to be entertaining, informative or educational in nature. Each of the agreements provides for the purchase of a specified amount of advertising over a two-year period with options to renew, exercisable at the content partner's option. Each of the five agreements expires at the end of the 2007 or 2008 calendar year.

Competition

We compete in the $240 billion U.S. advertising industry with many other forms of marketing media, including television, radio, print media, Internet and outdoor display advertising. While cinema advertising represents a small portion of the advertising industry today, we believe it is well positioned to capitalize on the shift of advertising spending away from mass media to more targeted forms of media. As the number of media platforms continues to increase, the ability to target narrow consumer demographics and to provide measurable third-party marketing information has become increasingly important. We believe that proliferation of digital technology enabling improved data collection and ROI measurement will increase advertisers' demand for digital advertising platforms and that cinema advertising is well positioned to address these trends.

We also compete with other providers of cinema advertising, which vary substantially in size, including Screenvision and Unique Screen Media. As one of the largest providers of cinema advertising in the United States, we believe that we are able to generate economies of scale, operating efficiencies and enhanced opportunities for our customers to access a national and regional audience, giving us a competitive advantage over many of our cinema advertising competitors. Through the visual quality and impact of the "big screen" and surround sound, we are able to display high impact impressions to our audiences. According to industry studies, our cinema advertising generated recall rates five to six times greater than advertising shown on television. Given the scale and technical capabilities of our digital network, we are able to tailor our advertising programs with more flexibility and to a broader audience than other cinema advertising companies, providing a more entertaining consumer experience and a more effective platform for advertisers.

Our CineMeetings business competes with a number of venues including hotels, conference facilities, restaurants, arenas and other convention properties, as well as virtual meetings hosted on-line and across private teleconferencing networks. We believe that the combination of our ability to offer clients access to conveniently located theatres with big screens, stadium seating, high-resolution digital projection and audio in multiple locations offers customers an attractive venue for meetings. Also, we offer a single point of contact and standardized pricing for our services, which is a competitive advantage when booking multi-location events. In addition, we offer clients the ability to combine a movie with the meeting, which also differentiates us from other meeting venues.

Our digital programming events business competes with other broadcast and cable networks, large-scale public venues, including concert halls and other public meeting venues and on-demand events. We believe that the combination of our national theatre network, geographic distribution and high quality sight and sound presentation offers content owners and sponsors an effective venue for events such as concerts and sporting events.

Intellectual Property Rights

We have been granted a perpetual, royalty-free license from our founding members to use certain proprietary software for the delivery of digital advertising content through our digital content network to specific screens or markets throughout our national theatre network. We have made improvements to this software and we own those improvements, except for improvements that were developed jointly by us and the founding members.

We also have licensed intellectual property that is the subject of several U.S. patent applications relating to scheduling in-theatre advertising and digital content as well as matters relating to digital projector automation. These licenses are governed by the pre-reorganization license agreement. See "Certain Relationships and Related Party Transactions—Transactions with Founding Members—Software License Agreement."

We have applied for several U.S. trademark registrations, including for NATIONAL CINEMEDIA and FIRSTLOOK. It is our practice to defend our trademarks and the associated goodwill from infringement by others. We are aware of a number of other companies that use names and marks containing variations of the words contained in our existing trademarks. There could be potential trademark infringement claims brought against us by the users of these names and marks. If any of these infringement claims were to prove successful in preventing us from using our existing trademarks or preventing us from stopping a competitor from using our existing trademarks, our ability to build brand identity could be negatively impacted.

Government Regulation

Currently, we are not subject to regulations specific to sale and distribution of cinema advertising that we need to comply with in our operations. We are subject to federal, state and local laws that govern businesses generally such as wage and hour and worker compensation laws.

Employees

We employed 447 people as of September 28, 2006, with 249 employees engaged in overall management and general administration at our corporate headquarters in Centennial, Colorado, 72 people employed in our regional offices, 107 local advertising account executives and 19 field maintenance technicians. None of our employees are covered by collective bargaining agreements. We believe that our relationship with our employees is good.

Theatre Network

The following table details our presence in the top 50 U.S. DMAs®, as of September 28, 2006 for NCM LLC and Loews, and as of October 20, 2006 for Century:

NCM LLC's Presence in Top U.S. DMAs® (1)

	Screens			Share of Total NCM Admissions			NCM Admissions Share of DMA		
	Current Network	Including Century	Including Century & Loews	Current Network	Including Century	Including Century & Loews	Current Network	Including Century	Including Century & Loews
Top 10 DMAs	4,557	5,033	5,890	40%	41%	45%	52%	55%	72%
Top 25 DMAs	7,575	8,196	9,367	61%	62%	67%	52%	54%	69%
Top 50 DMAs	9,837	10,624	11,850	78%	78%	81%	49%	52%	63%
All DMAs	12,973	13,990	15,265	100%	100%	100%	46%	48%	57%

(1) Loews screens join NCM LLC's network on an exclusive basis on June 1, 2008, subject to run-out of existing obligations.

Facilities

Information with respect to our corporate headquarters and regional offices is presented below.

Location	Facility	Size
Centennial, CO(1)	Headquarters (including the network operations center)	58,894 sq. ft.
Chicago, IL(2)	Regional Office	1,936 sq. ft.
New York, NY(3)	Regional Office	7,966 sq. ft.
Woodland Hills, CA(4)	Regional Office	5,700 sq. ft.
Detroit, MI(5)	Regional Office	721 sq. ft.
Minneapolis, MN(6)	Regional Office	10,363 sq. ft.

(1) This facility is leased through December 31, 2013 with a termination option at December 31, 2010 and an option to extend the lease until December 31, 2018.
(2) This facility is subleased from RCM through July 31, 2009.
(3) This facility is subleased from RCM through April 30, 2010.
(4) This facility is subleased from American Multi-Cinema, Inc. through May 30, 2007. On June 6, 2006, NCM LLC entered into a lease for the property with a term from June 1, 2007 to May 31, 2012.
(5) This facility is leased through December 31, 2009.
(6) This facility is leased through December 31, 2007, with an option to extend the lease for two additional five-year periods.

Legal Proceedings

We are sometimes involved in legal proceedings arising in the ordinary course of business. We are not aware of any litigation currently pending.

Seasonality

Our revenue and operating results are seasonal in nature, coinciding with the attendance patterns within the film exhibition industry as well as the timing of marketing expenditures by our advertising clients. Theatrical attendance is generally highest during the summer and year-end holiday season coinciding with the release of blockbuster films. Advertising expenditures tend to be higher during the second, third, and fourth fiscal quarters and are correlated to new product releases and marketing cycles. As a result, our first quarter typically has less revenue than the other quarters of a given year. To illustrate the seasonality of our operations, we analyzed the four consecutive quarters that we felt best represented our business on a comparable screen and attendance basis. Other quarters are less comparable due to the substantial growth in screens and attendance resulting primarily from acquisitions by founding members. This analysis is based on the combination of our quarterly advertising contract value, meetings and events and other revenue.

	Quarter ending			
	June 2005	September 2005	December 2005	March 2006
% of Total	26.5%	25.7%	31.4%	16.4%

Importantly, the results of one quarter are not necessarily indicative of results for the next or any future quarter.

MANAGEMENT

Executive Officers and Directors

Set forth below is certain information with respect to NCM Inc.'s current executive officers and directors. We expect to appoint additional directors who are not our employees or employees of our founding members. See "— Board Composition Following the Offering" below.

Name	Age	Position
Kurt C. Hall	47	President, Chief Executive Officer and Chairman
Clifford E. Marks	45	President of Sales and Chief Marketing Officer
Gary W. Ferrera	44	Executive Vice President and Chief Financial Officer
Thomas C. Galley	51	Executive Vice President and Chief Technology and Operations Officer
Ralph E. Hardy	56	Executive Vice President and General Counsel
Peter C. Brown	48	Director
Michael L. Campbell	53	Director
Lee Roy Mitchell	69	Director

Kurt C. Hall. Mr. Hall was appointed President, Chief Executive Officer and Chairman of NCM LLC in March 2005 and following the completion of this offering, will assume those positions with NCM Inc. He has also served as Chairman, President and Chief Executive Officer of NCM Inc. since October 2006. Prior to his current position, from May 2002 to May 2005, Mr. Hall served as Co-Chairman and Co-Chief Executive Officer of Regal Entertainment Group and President and Chief Executive Officer of its media subsidiary Regal CineMedia Corporation. Mr. Hall served as President and Chief Executive Officer of United Artists Theatre Company from March 1998 to August 2002, and a director from May 1992 to August 2002. Mr. Hall served as Chief Operating Officer of United Artists Theatre Company from February 1997 to March 1998, and as Executive Vice President and Chief Financial Officer of United Artists Theatre Company from May 1992 to March 1998.

Clifford E. Marks. Mr. Marks was appointed NCM LLC's President of Sales and Chief Marketing Officer in March 2005 and following the completion of this offering, will assume those positions with NCM Inc. He has been an advertising, marketing and sales professional for 23 years. Prior to his current position, Mr. Marks served as president of sales and marketing with Regal Entertainment Group's media subsidiary, Regal CineMedia Corporation, from May 2002 to May 2005. Before joining Regal CineMedia, Mr. Marks was a senior vice president at ESPN/ABC Sports where he oversaw its advertising sales organization from 1998 to May 2002. Mr. Marks joined ESPN in April 1989 and served in a variety of sales and marketing positions throughout his tenure. From 1986 through 1989, Mr. Marks was an advertising sales executive at The Nashville Network (now known as Spike TV). He began his career at the New York advertising agencies Young & Rubicam (1985-86) and BBDO (1983-85).

Gary W. Ferrera. Mr. Ferrera joined NCM LLC in May 2006 as Executive Vice President and Chief Financial Officer and following the completion of this offering, will assume those positions with NCM Inc. Mr. Ferrera has held positions in accounting and finance since 1991. From October 2005 to May 2006, he served as an independent consultant. Mr. Ferrera served as the interim Chief Financial Officer of the German cable company iesy Hessen, GmbH (now known as Unity Media), from March to October 2005. From February 2000 to February 2005, Mr. Ferrera held positions in both the United States and Europe with Citigroup's Global Corporate and Investment Bank where he spent the majority of that time advising and financing European media companies. Mr. Ferrera also held positions as an investment banker at Bear Stearns and as an international tax consultant at Arthur Andersen. Prior to his business career, Mr. Ferrera served for over seven years in U.S. Army Special Operations and Intelligence. Mr. Ferrera graduated *magna cum laude* with a BS in Accounting from Bentley College and received an MBA from the Kellogg School of Management, Northwestern University.

Thomas C. Galley. Mr. Galley joined NCM LLC in March 2005 as Executive Vice President and Chief Technology and Operations Officer and following the completion of this offering, will assume those positions

with NCM Inc. In this role, Mr. Galley oversees all operational, technical and production divisions for National CineMedia. He also manages the CineMeetings and digital programming events divisions. Mr. Galley led the original development of National CineMedia's Digital Content Network, a high definition digital and satellite distribution system linking AMC, Cinemark and Regal theatres nationwide. Prior to his current position, after joining United Artists Theatre Company in January 2002 as Executive Vice President of Technology, Mr. Galley served as Chief Technology Officer with Regal Entertainment Group's media subsidiary, Regal CineMedia Corporation, from January 2002 to May 2005. From 2000 to January 2002, he served as an independent consultant. From 1986 to 2000, Mr. Galley was President and Chief Executive Officer and co-founder of Internet Communications Corporation, a network (WAN/LAN) systems integration company, where he developed business applications, sales, marketing, technology, operations and revenue centers around technology.

Ralph E. Hardy. Mr. Hardy joined NCM LLC in March 2005 as Executive Vice President and General Counsel and following the completion of this offering, will assume those positions with NCM Inc. Prior to his current position, from May 2002 to May 2005, Mr. Hardy served as Executive Vice President and General Counsel for Regal CineMedia Corporation. Previously, from September 1994 to May 2002, Mr. Hardy was Executive Vice President, General Counsel and Secretary of United Artists Theatre Circuit, Inc., and was Senior Vice President, General Counsel and Secretary of United Artists Theatre Circuit, Inc. from May 1992 to September 1994.

Peter C. Brown. Mr. Brown has served as a director of NCM LLC since March 2005 and as a director of NCM Inc. since October 2006. Mr. Brown has served as a director of AMC Entertainment Inc. (AMCE) and American Multi-Cinema, Inc., a subsidiary of AMCE, since November 1992, as Chairman of the Board and Chief Executive Officer of AMCE since July 1999 and as President of AMCE since January 1997. Mr. Brown served as Co-Chairman of the Board of AMCE from May 1998 through July 1999 and as Executive Vice President of AMCE from August 1994 to January 1997. Mr. Brown is also Chairman of the Board, Chief Executive Officer and a Director of American Multi-Cinema, Inc. Mr. Brown serves as a director of Embarq Corporation, Midway Games, Inc., and MovieTickets.com. Mr. Brown is also on the Board of Directors of the National Association of Theatre Owners, is a member of the executive committee and became Vice-Chairman of the organization in January 2007.

Michael L. Campbell. Mr. Campbell has served as a director of NCM LLC since March 2005 and as a director of NCM Inc. since October 2006. Mr. Campbell has served as Chairman and Chief Executive Officer of Regal Entertainment Group since May 2005 and as a director since March 2002. Prior thereto, Mr. Campbell served as Regal Entertainment Group's Co-Chairman and Co-Chief Executive Officer. Mr. Campbell also has served as Chief Executive Officer of Regal Cinemas Corporation since January 2002. Mr. Campbell founded Regal Cinemas, Inc. in November 1989, and has served as Chief Executive Officer of Regal Cinemas, Inc. since its inception. Mr. Campbell served as a director and executive officer of Regal Cinemas, Inc. when it filed for bankruptcy on October 11, 2001 and throughout its bankruptcy proceedings. Mr. Campbell currently serves as a director of the National Association of Theatre Owners, Fandango, Inc. and Regal Entertainment Group.

Lee Roy Mitchell. Mr. Mitchell has served as a director of NCM LLC since July 2005 and as a director of NCM Inc. since October 2006. Mr. Mitchell has served as Chairman of the Board of Cinemark USA, Inc. since March 1996 and as a Director and Chief Executive Officer of Cinemark USA, Inc. since its inception in 1987. Mr. Mitchell has served as Chairman of the Board and Chief Executive Officer of Cinemark, Inc. since its inception in May 2002. Mr. Mitchell serves on the Board of Directors of Texas Capital Bancshares, Inc., Champions for Life and Dallas County Community College.

Board Composition Following the Offering

Upon the completion of this offering, NCM Inc. will become a member and the sole manager of NCM LLC. NCM LLC's board will cease to exist at that time.

NCM Inc.'s bylaws will authorize no more than ten directors to serve on our board of directors. The directors will be divided into three classes, designated as Class I, Class II and Class III. The members of each class shall serve for a staggered three-year term, except that Class I directors in the initial term immediately following the offering will serve for one year and the Class II directors in the initial term immediately following the offering will serve for two years. Each director will be elected to serve until the election of the director's successor at an annual meeting of stockholders for the election of directors for the year in which the director's term expires or at a special meeting called for that purpose. Directors may be removed only for cause.

Pursuant to a director designation agreement, so long as a founding member owns at least 5% of NCM LLC's issued and outstanding common membership units, such founding member will have the right to designate a total of two nominees to our ten-member board of directors who will be voted upon by our stockholders. If at any time, any founding member owns less than 5% of NCM LLC's then issued and outstanding common membership units, then such founding member shall cease to have any rights of designation. See "Corporate History and Reorganization—Corporate Governance Matters" for additional details on how such 5% threshold is calculated.

One of the two designees from each of the founding members must qualify as an independent director under Nasdaq rules.

We expect that, upon completion of this offering, our board of directors will consist of ten directors, as set forth below:

Name	Age	Position
Kurt C. Hall	47	President, Chief Executive Officer and Chairman (Class I)
Peter C. Brown	48	Director (Class III)
Michael L. Campbell	53	Director (Class III)
Lawrence A. Goodman	52	Director (Class I)
David R. Haas	65	Director (Class II)
James R. Holland, Jr.	63	Director (Class II)
Stephen L. Lanning	53	Director (Class II)
Edward H. Meyer	80	Director (Class II)
Lee Roy Mitchell	69	Director (Class III)
Scott N. Schneider	48	Director (Class I)

Set forth below is a brief description of the business experience of each of the individuals that we expect to become directors at the time of this offering. For a description of the business experience of Messrs. Hall, Brown, Campbell and Mitchell, see "—Executive Officers and Directors" above.

Lawrence A. Goodman. Mr. Goodman founded White Mountain Media, a media consulting company, in July 2004 and has served as its president since inception. From July 2003 to July 2004, Mr. Goodman was retired**.** From March 1995 to July 2003, Mr. Goodman was the President of Sales and Marketing for CNN, a division of Turner Broadcasting System, Inc. Mr. Goodman currently serves as a director of Teletrax and The Westchester Institute for Human Development.

David R. Haas. Mr. Haas has been a private investor and financial consultant since January 1995. Mr. Haas was a Senior Vice President and Controller for Time Warner, Inc. from January 1990 through December 1994. Prior thereto, Mr. Haas was at Warner Communications for 14 years and held several positions at the company. Mr. Haas served as a director of Information Holdings, Inc. from July 1988 through December 2004. Mr. Haas currently serves as a director and chair of the audit committee of Armor Holdings, Inc.

James R. Holland, Jr. Mr. Holland has been the President and Chief Executive Officer of Unity Hunt, Inc., a diversified holding company, since September 1991, and also serves on its board of directors. He also serves as lead director of Texas Capital Bancshares, Inc., and as a director of Placid Holding Co. and Hunt Midwest Enterprises, Inc.

Stephen L. Lanning. Mr. Lanning is a an independent consultant. Mr. Lanning was employed by the United States Air Force from June 1977 until October 2006. From July 2005 to July 2006, Mr. Lanning was a Director, Logistics and Warfighting Integration, Chief Information Officer and Chief Sustainment Officer for the United States Air Force Space Command. Mr. Lanning was a Principal Director of the Defense Information Systems Agency from July 2002 to July 2005. Mr. Lanning was a Deputy Operations Director at the United States Space Command from June 2001 to July 2002.

Edward H. Meyer. Mr. Meyer served as Chairman, Chief Executive Officer and President of Grey Global Group, Inc., a global advertising and marketing services company, from 1970 to December 2006. Mr. Meyer joined Grey Global in 1956 and was elected President in 1968 and Chairman in 1972. He also serves as a director and member of the compensation and audit committees of Harman International Industries, Inc. and as a director of Ethan Allen Interiors Inc. and Jim Pattison Ltd.

Scott N. Schneider. Mr. Schneider has served as Chairman, Media and Communications, of Diamond Castle Holdings, a private equity firm, since January 2004. From October 1999 to August 2004, Mr. Schneider served in various senior executive capacities including President, Chief Operating Officer and Vice Chairman of the Board of Citizens Communications Company. Prior thereto, Mr. Schneider served as Chief Financial Officer and a member of the board of directors of Centennial Communications Corp. from 1991 to 2001, and as Chief Financial Officer and a member of the board of directors of Century Communications Corp. from 1981 to 2000 Mr. Schneider currently serves as a director of Centennial Communications Corp. and, until its merger with SES during April 2006, as a director of NuSkies Holdings. He also serves on a variety of philanthropic boards.

Board Committees

Our board of directors will have an audit committee, a compensation committee and a nominating and corporate governance committee. The board of directors also will establish such other committees as it deems appropriate, in accordance with applicable law and our certificate of incorporation and bylaws.

Audit Committee

We expect that the members of the audit committee following this offering will be Messrs. Haas, Holland and Schneider, with Mr. Haas serving as chair. All of the proposed members of the audit committee are independent, as determined in accordance with Nasdaq rules and relevant federal securities laws and regulations. Our board has determined that Mr. Haas qualifies as an "audit committee financial expert" as defined in the federal securities laws and regulations. The audit committee will assist our board of directors in monitoring the integrity of the financial statements, the independent auditors' qualifications, independence and performance, the performance of our company's internal audit function and compliance by our company with certain legal and regulatory requirements.

Compensation Committee

We expect that the members of the compensation committee following this offering will be Messrs. Goodman, Lanning and Meyer, with Mr. Goodman serving as chair. All of the proposed members of our compensation committee are independent, as determined in accordance with Nasdaq rules and relevant federal securities laws and regulations. The compensation committee will oversee the compensation plans, policies and programs of our company and will have full authority to determine and approve the compensation of our chief executive officer, as well as to make recommendations with respect to compensation of our other executive officers. The compensation committee also will be responsible for producing an annual report on executive compensation for inclusion in our proxy statement.

Nominating and Corporate Governance Committee

We expect that the members of the nominating and corporate governance committee following this offering will be Messrs. Goodman, Lanning and Meyer, with Mr. Lanning serving as chair. All of the proposed members of our nominating and corporate governance committee are independent as determined in accordance with Nasdaq rules and relevant federal securities laws and regulations. The nominating and corporate governance committee will assist our board of directors in promoting the best interests of our company and our stockholders through the implementation of sound corporate governance principles and practices.

Other than the director candidates designated by our founding members, the nominating and corporate governance committee will identify individuals qualified to become board members and recommend to our board of directors the director nominees for each annual meeting of stockholders. It also will review the qualifications and independence of the members of our board of directors and its various committees on a regular basis and make any recommendations the committee members may deem appropriate from time to time concerning any changes in the composition of our board of directors and its committees. The nominating and corporate governance committee also will recommend to our board of directors the corporate governance guidelines and standards regarding the independence of outside directors applicable to our company and review such guidelines and standards and the provisions of the nominating and corporate governance committee charter on a regular basis to confirm that such guidelines, standards and charter remain consistent with sound corporate governance practices and with any legal, regulatory or Nasdaq requirements. The nominating and corporate governance committee also will monitor our board of directors and our company's compliance with any commitments made to regulators or otherwise regarding changes in corporate governance practices and will lead our board of directors in its annual review of our board of directors' performance.

Compensation Committee Interlocks and Insider Participation

We do not anticipate any interlocking relationships between any member of our compensation committee or our nominating and corporate governance committee and any of our executive officers that would require disclosure under the applicable rules promulgated under the U.S. federal securities laws.

COMPENSATION DISCUSSION AND ANALYSIS

The primary goals of the compensation committee of our board of directors with respect to executive compensation are to attract, retain, motivate and reward talented executives, to tie annual and long-term compensation incentives to achievement of specified performance objectives, and to achieve the goal of long-term creation of value for our stockholders by aligning the interests of these executives with our stockholders. To achieve these goals, we intend to maintain compensation plans that tie a substantial portion of executives' overall compensation to key strategic, operational and financial goals such as achievement of budgeted levels of revenue and EBITDA, and other non-financial goals that the board deems important. The compensation committee and the board evaluate individual executive performance with a goal of setting compensation at levels they believe, based on their general business and industry knowledge and experience, are comparable with executives in other companies of similar size and stage of development operating in the advertising sales and digital media distribution industry, while taking into account our relative performance and our own strategic goals.

NCM LLC has in the past and we intend in the future to conduct an annual review of the aggregate level of our executive compensation as part of the annual budget review and annual performance review processes, which include determining the operating metrics and non-financial elements used to measure our performance and to compensate our executive officers. This review is based on our knowledge of how other advertising sales and media companies measure their executive performance and on the key operating metrics that are critical in our effort to increase the value of our company.

Elements of Compensation

Executive compensation consists of the following elements. The compensation committee and board determine the portion of compensation allocated to each element for each individual named executive officer. Descriptions of historical practices and policies are of the practices and policies of the NCM LLC compensation committee. Our compensation committee is expected to continue these policies in the short term but will reevaluate the current policies and practices as it considers advisable.

Base Salary. Base salaries for our executives are established based on the scope of their responsibilities, taking into account competitive market compensation for similar positions, as well as seniority of the individual, our ability to replace the individual and other primarily judgmental factors deemed relevant by the board. Generally, we believe that executive base salaries should be targeted near the median of the range of salaries for executives in similar positions with similar responsibilities at comparable companies, in line with our compensation philosophy. Base salaries are reviewed annually by the compensation committee and the board, and may be adjusted (upward in the case of employees with employment contracts) from time to time pursuant to such review and/or in accordance with guidelines contained in the various employment agreements or at other appropriate times, to realign salaries with market levels after taking into account individual responsibilities, performance and experience. This review began in the fourth quarter of 2006 as part of the NCM LLC annual budgeting process and will occur during the first quarter of 2007 as part of our annual performance review process.

Discretionary Annual Performance Bonus. The board has the authority to award discretionary annual performance bonuses to our executive officers. The annual incentive bonuses are intended to compensate officers for achieving financial, operational and strategic goals and for achieving individual annual performance objectives. These objectives and goals vary and are set depending on the individual executive, but have traditionally been allocated 25% to more subjective non-financial strategic factors such as the expansion of our digital network, maintenance of strong relationships with our founding members and the completion of various transactions, including for 2006 and 2007 the stock offering discussed herein, and 75% associated with financial factors such as achieving budgeted levels of revenue and EBITDA and managing levels of capital expenditures. These annual bonus amounts are intended to reward both overall company and individual performance during the year and, as such, can be highly variable from year to year.

Our discretionary annual bonus is paid in cash in an amount reviewed and approved by the compensation committee and the board and traditionally has been paid in a single installment in the first quarter following the completion of a given fiscal year once the annual audit report is issued. Pursuant to current employment agreements, each named executive officer is eligible for a discretionary annual bonus up to an amount equal to a specified percentage of such executive's salary. However, the compensation committee and the board may increase the discretionary annual bonus paid to our executive officers using their judgment based on the company exceeding certain financial goals ("stretch bonus"). The NCM LLC compensation committee and board have targeted discretionary bonus amounts to be paid in 2007 for performance during 2006 at 50-100% of base salary for each of our named executive officers, with an additional "stretch bonus" amount of up to 50% of the amount awarded for performance. The actual amount of discretionary bonus, which varies by individual, will be determined following a review of each executive's individual performance and contribution to our strategic and financial goals, which will be conducted during the first quarter of 2007. The board has not fixed a minimum or maximum payout for any officers' annual discretionary bonus.

Long-Term Incentive Program. We believe that creating long-term value for our stockholders is achieved, in part, by aligning the interests of our executive officers with those of our stockholders. Prior to the completion of this offering, we plan to adopt a new equity incentive plan, the National CineMedia Inc. 2007 Equity Incentive Plan, which we refer to as the "equity incentive plan." The equity incentive plan will not only assist us in attracting, motivating, rewarding and retaining employees, including our named executive officers, but will promote the creation of long-term value for our stockholders by aligning the interests of these individuals with the interests of stockholders. We anticipate that the equity incentive plan will provide for the grant, at the discretion of our board and compensation committee, of stock options, stock appreciation rights, restricted stock, restricted stock units, and other equity-based and cash incentive awards to these officers, as well as directors, employees, consultants and other individuals (including board members) who perform services for us or for our affiliates. This equity incentive plan will replace the NCM LLC Unit Option Plan, discussed below.

The compensation committee and board believe based on their general business and industry experience and knowledge that the use of the combination of base salary, discretionary annual performance bonus, and long-term incentive (including stock option or other stock-based awards) offers the best approach to achieving our compensation goals, including attracting and retaining the most talented and capable executives and motivating our executives and other officers to expend maximum effort to improve the business results, earnings and overall value of our business.

In connection with the completion of this offering, options previously granted by NCM LLC to its officer employees, including our named executive officers, under the National CineMedia, LLC 2006 Unit Option Plan, which we refer to as the "NCM LLC Unit Option Plan," that remain outstanding as of the date of the completion of this offering will be substituted with options granted under the equity incentive plan. In addition, the NCM LLC Unit Option Plan, provides under certain conditions, that option holders will receive an additional equity award of options or restricted units at the time of an initial public offering, which we refer to as the "IPO awards". The IPO awards are intended to ensure that the value of the NCM LLC unit options held just prior to the offering (and related debt issuance) are equal to the value of our stock options and restricted stock held just after the offering (and related debt issuance). We expect to issue options to purchase shares of our common stock and shares of restricted common stock under the equity incentive plan in substitution for options and restricted units granted under the NCM LLC Unit Option Plan. See "—Substitution of NCM LLC Options and Restricted Units" for additional information. In addition, we plan to grant options to acquire 218,000 shares of our common stock to our employees, and 6,316 shares of restricted stock to our non-employee independent directors, upon the completion of this offering.

The NCM LLC Unit Option Plan authorized us to grant options to purchase units of NCM LLC to our employees, directors and consultants. We granted unit options in conjunction with the adoption of the plan and then at the commencement of employment and, occasionally, following a significant change in job responsibilities or to meet other special retention or performance objectives. The compensation committee and board review and approve unit option awards to executive officers based upon a review of competitive

compensation information, their assessment of individual performance, a review of each executive's existing long-term incentives, and retention considerations. Periodic unit option grants can be made at the discretion of the compensation committee and the board to eligible employees and, in appropriate circumstances, the compensation committee and board in their discretion consider the recommendations of members of management, primarily Mr. Hall, our Chief Executive Officer. In 2006, the named executive officers were awarded unit options in the amounts indicated in the section entitled "Grants of Plan Based Awards". These grants included grants made on April 4, 2006, in connection with the adoption of the NCM LLC Unit Option Plan and in recognition of exceptional contributions by the named executives and other NCM LLC officers since NCM LLC's formation in March 2005, and subsequently in connection with various hiring and other retention objectives. Unit options granted by us have an exercise price equal to a fair market value formula as of the grant date, typically begin vesting after a period of one year at 20% per annum thereafter based upon continued employment over a five-year period, and generally expire fifteen years after the date of grant.

Other Compensation. Our executive officers who were parties to employment agreements prior to this offering will, following this offering, enter into new employment agreements on substantially the same terms as those discussed below, see "—Employment and Other Agreements", under which NCM Inc. will be the employer. NCM LLC will also be a party to these new employment agreements. The compensation committee and board, in the future, may change such agreements as they determine, in their discretion, that revisions to such employment agreements are required to comply with new tax or accounting rules and are not detrimental to the interest of the named executives. In addition, consistent with our compensation philosophy, we intend to continue to maintain our current benefits and perquisites for our executive officers; however, the compensation committee in its discretion may revise, amend or add to the officer's executive benefits and perquisites if it deems it advisable. We believe these benefits and perquisites are currently comparable to the median competitive levels for comparable companies.

EXECUTIVE COMPENSATION

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($) (1)	Non-Equity Incentive Plan Compensation ($) (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($) (3)	Total ($)
Kurt C. Hall President, Chief Executive Officer and Chairman	2006	$ 625,000	$ 0	$ 0	$ 523,643	TBD	$ 0	$ 8,292	$ 1,156,935
Clifford E. Marks President of Sales and Chief Marketing Officer	2006	$ 579,395	$ 0	$ 0	$ 271,821	TBD	$ 0	$ 8,204	$ 859,420
Gary W. Ferrera (4) Executive Vice President and Chief Financial Officer	2006	$ 176,635	$ 0	$ 0	$ 148,067	TBD	$ 0	$ 1,389	$ 326,091
Thomas C. Galley Executive Vice President and Chief Technology and Operations Officer	2006	$ 373,077	$ 0	$ 0	$ 161,342	TBD	$ 0	$ 8,149	$ 542,568
Ralph E. Hardy Executive Vice President and General Counsel	2006	$ 215,029	$ 0	$ 0	$ 58,175	TBD	$ 0	$ 8,054	$ 281,258
David J. Giesler (5) Former Executive Vice President and Chief Financial Officer	2006	$ 161,762	$ 0	$ 0	$ 0	TBD	$ 0	$ 7,116	$ 168,878

(1) The amounts represent the portion of the fair value of the options recognized as expense for financial statement reporting purposes in accordance with SFAS No. 123(R), "Share Based Payment," and does not represent cash payments made to the individuals or amounts realized. Under SFAS 123(R), the fair value of options granted to employees is recognized ratably over the vesting period. No portion of the options held

by any named executive officer are currently vested. See details of the assumptions used in valuation of the options in Note 11 to the audited financial statements of NCM LLC contained elsewhere in this prospectus. The ultimate value of the options is highly dependent on NCM LLC's EBITDA and other financial performance factors. The Grants of Plan Based Awards table discloses the unit options granted to the named executive officers. The option expense as reflected in this table represents the calculation based on outstanding unit options and does not reflect the contemplated replacement of the unit options with stock options to be issued as discussed below.

(2) The compensation committee has not determined the amounts of the bonuses that will be paid to each named executive officer for 2006. We expect to determine and pay those amounts during the first quarter of 2007, and will file a Form 8-K with this information once those amounts are determined.

(3) The balances include individual amounts, all of which are less than $10,000, reflecting contributions on behalf of the named executive officers as NCM LLC's matching contribution to NCM LLC's defined contribution 401(k) plan, as well as amounts related to the various life and disability insurance plans participated in by the named executives.

(4) Mr. Ferrera became NCM LLC's Executive Vice President and Chief Financial Officer on May 1, 2006.

(5) Mr. Giesler resigned as NCM LLC's Executive Vice President and Chief Financial Officer effective April 30, 2006 and resigned as an employee of NCM LLC on September 20, 2006. His unit option was forfeited when he resigned from NCM LLC effective September 20, 2006.

Grants of Plan Based Awards

The board of directors approved awards under our NCM LLC Unit Option Plan to each of our named executive officers in 2006. As noted, in connection with this offering, options previously granted under the NCM LLC Unit Option Plan that remain outstanding as of the date of the completion of the offering will be substituted with options granted under our equity incentive plan. See further discussion at "—NCM Inc. 2007 Equity Incentive Plan". Set forth below is information regarding awards granted during 2006:

Grants of Plan Based Awards

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards - Target/Maximum (#)	Exercise or Base Price of Option Awards ($ per Unit) (6)	Grant Date Fair Value of Option Awards ($)
		Threshold ($)(7)	Target ($) (7)	Maximum ($) (7)			
Kurt C. Hall	April 4, 2006	$ 312,500	$ 625,000	$ 937,500	469,995 (1)	$16.52	$ 4,014,600
Clifford E. Marks	April 4, 2006	$ 67,500	$ 675,000	$ 742,500	261,010(2)	$16.52	$ 2,229,493
Clifford E. Marks	September 7, 2006	n/a	n/a	n/a	36,936 (3)	$24.29	$ 313,299
Gary W. Ferrera	May 1, 2006	$ 68,750	$ 137,500	$ 206,250	147,495 (4)	$18.20	$ 1,258,414
Thomas C. Galley	April 4, 2006	$ 140,625	$ 281,250	$ 421,875	144,812 (1)	$16.52	$ 1,236,952
Ralph E. Hardy	April 4, 2006	$ 52,500	$ 105,000	$ 157,500	52,215 (1)	$16.52	$ 446,013
David J. Giesler	April 4, 2006	$ 40,440	$ 80,881	$ 121,321	— (5)	Forfeited	—

(1) Represents unit options granted under the NCM LLC Unit Option Plan. The options begin vesting on January 1, 2007, and will vest at 20% per year, so long as the officer remains in continuous employment with NCM LLC through those dates.

(2) Represents a unit option granted under the NCM LLC Unit Option Plan. The option begins vesting on January 1, 2008, and will vest at 20% per year, so long as the officer remains in continuous employment with NCM LLC through those dates.

(3) Represents a unit option granted under the NCM LLC Unit Option Plan. The option begins vesting on January 1, 2008, and will vest at 20% per year, so long as the officer remains in continuous employment with NCM LLC through those dates.

(4) Represents a unit option granted under the NCM LLC Unit Option Plan. The option begins vesting on January 1, 2007 and will vest at 20% per year, so long as the officer remains in continuous employment with NCM LLC through those dates.

(5) Represents a unit option granted under the NCM LLC Unit Option Plan. The option was forfeited when Mr. Giesler resigned from NCM LLC in September 2006.

(6) There is no public market price for the units on the date of the grant. The exercise price was determined by the board as not less than the fair market value of a unit as of the grant date and as reported, includes adjustments for the reorganization.

(7) Amounts represent maximum potential cash bonus amounts if all of goals and additional targets are achieved for 2006 performance to be paid in 2007 for each named executive officer. The board and compensation committee may, at their complete discretion, award additional or lower amounts. The bonus amounts for Mr. Ferrera will be prorated based on his hire date, and the bonus amounts for Mr. Giesler will be prorated based on his resignation date. The bonus amounts will be finalized during the first quarter of 2007, at which time we will file a Form 8-K to disclose the amounts.

Outstanding Equity Awards at December 28, 2006

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable (2)(3)	Option Exercise Price ($)	Option Expiration Date (1)
Kurt C. Hall	0	469,995	$ 16.52	April 4, 2021
Clifford E. Marks	0	261,010	$ 16.52	April 4, 2021
Clifford E. Marks	0	36,936	$ 24.29	September 7, 2021
Gary W. Ferrera	0	147,495	$ 18.20	May 1, 2021
Thomas C. Galley	0	144,812	$ 16.52	April 4, 2021
Ralph E. Hardy	0	52,215	$ 16.52	April 4, 2021
David J Giesler	0	0	—	—

(1) Options expire prior to date if named executive officer terminates employment with NCM LLC.

(2) The options vest for each named executive officer, excluding Mr. Marks, 20% per year commencing on January 1, 2008, subject to continuous employment with NCM LLC.

(3) The options for Mr. Marks vest 20% per year commencing on January 1, 2009, subject to continuous employment with NCM LLC.

NCM LLC 2006 Unit Option Plan

The NCM LLC Unit Option Plan is administered by NCM LLC's compensation committee and board. The objectives of the plan include attracting, motivating and retaining key personnel and promoting NCM LLC's success by linking the interests of NCM LLC's officers, directors and consultants with our success.

Units Subject to Plan

There are 1,224,203 units authorized for issuance under the plan. As of September 28, 2006, options covering 1,131,728 units had been granted and were outstanding under the plan, leaving 92,475 units available for issuance, excluding any units to be issued as IPO awards. We anticipate issuing 352,661 restricted units as IPO awards. The options covering units to be delivered upon exercise of the options will be issued, at the discretion of the compensation committee and board, from authorized but unissued units or units reacquired by NCM LLC. If any units covered by a grant are forfeited, the number of units covered by the forfeited options will again be available for grants made under the plan.

Term of Options

The term of each option is 15 years from the date of the grant of the option, unless a shorter period is established. Each of the options granted under the plan have a term of 15 years.

Vesting

The board has the authority under the plan to establish the vesting schedule for an option. The vesting schedule is set forth in each option agreement. The option agreement includes a vesting start date. Outstanding options include a vesting start date of January 1, 2007 or January 1, 2008. Options granted under the plan vest at a rate of 20% per year commencing 12 months after the vesting start date, subject to continuous employment or other service with NCM LLC or its subsidiaries. Outstanding options are scheduled to fully vest 5 years after the vesting start date. Failure to be continuously employed or in another service relationship, generally results in the forfeiture of options not vested at the time the employment or other service relationship ends. Termination of a recipient's employment or other service relationship for cause generally results in the forfeiture of all of the recipient's options.

IPO Awards. Upon the occurrence of an initial public offering of NCM LLC or its manager, the plan provides for additional equity awards to outstanding option holders under certain circumstances. These awards may be granted as additional options or restricted units, which we refer to as the "IPO awards." The purpose of the IPO awards is to ensure that the economic value of outstanding unit options held just prior to an initial public offering is maintained by the option holder immediately after the offering. We expect to issue IPO awards in the form of restricted units in connection with this offering.

The table below sets forth the number of restricted units that we anticipate issuing as IPO awards to the named executive officers, other employees and the total. The restricted units will be unvested when granted and will be subject to forfeiture and restrictions on transfer during the restriction period. We anticipate that the restricted units will vest and that the forfeiture and transfer restrictions will lapse at the same time as the underlying options vest, 20% per year commencing on either January 1, 2008 or January 1, 2009, as applicable, subject to continuous employment. The award will provide that the grantee will receive dividends. Upon completion of this offering, we expect to substitute the restricted units with shares of restricted stock of NCM Inc. using an exchange ratio of one share to one unit.

Name	Number of Restricted Units
Kurt C. Hall	105,375
Clifford E. Marks	66,800
Gary W. Ferrera	33,066
Thomas C. Galley	32,467
Ralph E. Hardy	11,707
Other Employees	103,246
Total	352,661

Adjustments and Conversion

The plan provides for adjustments to the number of units for which grants may be made under the plan, the number of units covered by an option and the option exercise price for changes in capitalization.

By the terms of the NCM LLC Plan, upon an initial public offering of NCM LLC or its manager, all options under the plan will be exchanged for, or converted into, options to acquire shares of the resulting corporation's common stock and restricted units will be exchanged for, or converted into, shares of restricted stock of the resulting corporation.

Amendment and Termination

The board may amend, suspend or terminate the plan. No grants may be made after the plan is terminated. The board has the authority to amend outstanding grants, if necessary, to avoid any additional tax under Code section 409A that may otherwise be imposed on a grantee.

NCM Inc. 2007 Equity Incentive Plan

Prior to the completion of this offering, we plan to adopt the equity incentive plan. The equity incentive plan will assist us in attracting, retaining, motivating and rewarding employees, directors and consultants, and promoting the creation of long-term value for our stockholders by aligning the interests of these individuals with those of our stockholders. We anticipate that the equity incentive plan will provide for the grant of options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other stock-based and cash awards to directors, officers, employees, consultants and other individuals who perform services for us or for our affiliates.

We will use all proceeds received by us upon the exercise of options under the equity incentive plan to acquire NCM LLC common membership units at a price per unit equal to the exercise price of such option.

Share Reserve

The total number of shares of our common stock that we plan to make available for issuance or delivery under the equity incentive plan will be 2,650,000 shares, subject to adjustment in the event of any stock dividend or split, reorganization, recapitalization, merger, share exchange or any other similar corporate event. For purposes of determining the number of shares remaining available for issuance under the equity incentive plan, to the extent that an award expires or is canceled, forfeited, settled in cash or otherwise terminated without delivery to the participant of the full number of shares to which the award related, the undelivered shares will again be available for grant. Shares withheld in payment of the exercise price or taxes relating to an award and shares equal to the number surrendered in payment of any exercise price or taxes relating to an award will be deemed to constitute shares not delivered to the participant and will be deemed to again be available for awards under the plan. Shares issued under the equity incentive plan may be authorized and unissued shares or treasury shares.

We anticipate that the maximum number of shares that may be covered by an award granted under the equity incentive plan to any single participant in any calendar year will not exceed 500,000, excluding substituted awards. The maximum dollar amount that may be awarded to a single participant in any calendar year will not exceed $5,000,000, excluding substituted awards.

NCM LLC Options and Restricted Units

In connection with the completion of this offering, options previously granted by NCM LLC to its employees under the NCM LLC Unit Option Plan that remain outstanding as of the date of the completion of the offering will be replaced pursuant to the plan with options granted under the equity incentive plan. In addition, the NCM LLC Unit Option Plan provides that under certain conditions, option holders will receive an additional equity award of options or restricted units at the time of an initial public offering, which we refer to as the “IPO awards.” We expect to issue options to purchase shares of our common stock under this equity incentive plan in substitution for options previously granted under the NCM LLC 2006 Unit Option Plan and shares of restricted common stock in substitution for restricted units that will be granted by NCM LLC.

Administration

Generally, the compensation committee, or the committee, will administer the equity incentive plan and will designate those persons who will be granted awards and the amount, type and other terms and conditions of the awards. The committee will have full authority to administer the equity incentive plan, including the authority to interpret and construe any provision in the plan and the terms of any award agreement and to adopt such rules and regulations for administering the plan that it may deem necessary or appropriate. Pursuant to this authority, on or after the date of grant of an award, the committee may:

- accelerate the date on which the award becomes vested, exercisable or transferable;
- extend the term of any award, including, without limitation, extending the period following termination of a participant’s service with us or our affiliates during which the incentive award may remain outstanding;

- waive any conditions to the vesting, exercisability or transferability of an award; or
- provide for the payment of dividends or dividend equivalents with respect to an award.

Significant Features of Incentive Awards

The following is a description of the significant terms we expect to apply to each type of award issued under the equity incentive plan:

Options and Stock Appreciation Rights. Each option will entitle the holder to purchase a specified number of shares at a specified exercise price. Each option agreement will specify whether the option is an "incentive stock option" or "ISO" (within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, or the Code) or a nonqualified stock option. Each stock appreciation right will entitle the holder to receive, upon exercise, the excess of the fair market value of a share at the time of exercise over the base price of the stock appreciation right multiplied by the specified number of shares to which the stock appreciation right is being exercised. The exercise or base price of each option and stock appreciation right will be at least 100% of the fair market value of a share on the date the award is granted. The term of any option or stock appreciation right will not exceed ten years, except for substituted awards and the option or stock appreciation right will vest over a period determined by the committee. Each option or stock appreciation right agreement will specify the consequences to the award with respect to a termination of service with us and our affiliates.

Restricted Stock and Restricted Stock Units. The committee may grant a restricted stock award, which is a grant of actual shares subject to a risk of forfeiture and restrictions on transfer. The committee may also grant an award of restricted stock units, a contractual commitment to deliver shares at a future date. The terms and conditions of any restricted stock award or award of restricted stock units will be determined by the committee.

Other Stock-Based Awards. The committee may grant other types of stock-based awards in such amounts and subject to such terms and conditions as the committee determines. Each such award may, among other things, (i) involve the transfer of actual shares, either at the time of grant or thereafter, or payment in cash of amounts based on the value of shares; (ii) be subject to performance-based and/or service-based conditions; and (iii) be in the form of phantom stock, performance shares, deferred share units or other full value stock awards.

Performance-Based Awards

The committee may grant awards that are intended to qualify as performance-based compensation under Section 162(m) of the Code. The performance goals upon which the payment or vesting of any award that is intended to qualify as performance-based compensation may relate to one or more specified performance measures.

Performance periods may not be less than one fiscal year of NCM Inc. and may be overlapping periods. The committee will establish (i) performance goals for each performance period; (ii) target awards for each participant; and (iii) an objective method for determining the applicable performance percentage to be applied to each target award.

Tax Withholding

The plan will provide that participants may elect to satisfy certain federal state or local income tax withholding requirements by remitting to us cash or, subject to certain conditions, shares or by instructing us to withhold shares payable to the participant.

Amendment and Termination

Our board of directors may amend, suspend, discontinue, or terminate the equity incentive plan or the committee's authority to grant awards under the equity incentive plan in any respect, except that, to the extent that any applicable law, regulation or rule of a stock exchange requires stockholder approval for any revision or

amendment to be effective, the revision or amendment will not be effective without stockholder approval. We will not make any grants under the equity incentive plan following the tenth anniversary of the date the plan becomes effective, but awards outstanding at that time will continue in accordance with their terms.

Federal Income Tax Consequences

The following is intended only as a brief summary of the material U.S. federal income tax consequences of the equity incentive plan. The tax consequences to a participant will generally depend upon the type of award issued to the participant. In general, if a participant recognizes ordinary income in connection with the grant, vesting or exercise of an award, we will be entitled to a corresponding deduction equal to the amount of the income recognized by the participant. This summary does not address the effects of other federal taxes (including possible "golden parachute" excise taxes) or taxes imposed under state, local or foreign tax laws.

Options and Stock Appreciation Rights. In general, a participant does not have taxable income upon the grant of an option or a stock appreciation right. The participant will recognize ordinary income upon exercise of a nonqualified stock option equal to the excess of the fair market value of shares acquired on exercise over the aggregate option price for the shares. Upon exercising a stock appreciation right, the participant will recognize ordinary income equal to the cash or fair market value of the shares received. A participant will not recognize ordinary income upon exercise of an ISO, except that the alternative minimum tax may apply. If a participant disposes of shares acquired upon exercise of an ISO before the end of the applicable holding periods, the participant will recognize ordinary income. Otherwise, a sale of shares acquired by exercise of an option or a stock appreciation right generally will result in short-term or long-term capital gain or loss measured by the difference between the sale price and the participant's tax basis in the shares. We normally can claim a tax deduction equal to the amount recognized as ordinary income by a participant in connection with an option or stock appreciation right, but no tax deduction relating to a participant's capital gains. We will not be entitled to any tax deduction with respect to an ISO if the participant holds the shares for the applicable ISO holding periods before selling or transferring the shares.

Restricted Stock, Restricted Stock Units and Other Stock-Based Awards. If an award is subject to a restriction on transferability and a substantial risk of forfeiture (for example, restricted stock), the participant generally must recognize ordinary income equal to the fair market value of the transferred amounts at the earliest time either the transferability restriction or risk of forfeiture lapses. If an award has no restriction on transferability or is not subject to a substantial risk of forfeiture, the participant generally must recognize ordinary income equal to the cash or the fair market value of shares received. We can ordinarily claim a tax deduction in an amount equal to the ordinary income recognized by the participant, except as discussed below regarding Section 162(m). A participant may irrevocably elect to accelerate the taxable income to the time of grant of restricted stock rather than upon lapse of restrictions on transferability or the risk of forfeiture (Section 83(b) election).

Section 409A. Section 409A of the Code imposes election, payment and funding requirements on "nonqualified deferred compensation" plans. If a nonqualified deferred compensation arrangement subject to Section 409A of the Code fails to meet, or is not operated in accordance with, the requirements of Section 409A, then compensation deferred under the arrangement may become immediately taxable and subject to a 20% additional tax. Certain awards that may be issued under the plan may constitute a "deferral of compensation" subject to the requirements of Section 409A of the Code.

Section 162(m). Compensation that qualifies as "performance-based" compensation is excluded from the $1 million deduction limitation of Section 162(m) of the Code. Under the equity incentive plan, options and stock appreciation rights granted with an exercise price at least equal to 100% of the fair market value of the underlying shares on the date of grant and certain other awards that are conditioned upon achievement of performance goals are intended to qualify as "performance-based" compensation. A number of requirements must be met in order for particular compensation to qualify, and we cannot assure you that compensation under the equity incentive plan will be fully deductible by us under all circumstances.

Substitution of NCM LLC Options and Restricted Units

NCM LLC has issued to its employees, options to purchase common membership units of NCM LLC. In connection with this offering, NCM LLC anticipates issuing restricted units as "IPO awards" to holders of outstanding unit options. Upon completion of this offering, we will issue stock options to holders of outstanding unit options in substitution of the NCM LLC unit options and shares of restricted stock in substitution of the NCM LLC restricted units under the following terms and conditions:

- the individual's rights with respect to the NCM LLC unit option and restricted units will be cancelled;
- the total spread (the excess of the aggregate fair market value of the units subject to the option over the aggregate option exercise price) of the option after substitution cannot exceed the total spread of the option that existed immediately prior to the substitution (the "spread test");
- on a share by share comparison, the ratio of the option exercise price to the fair market value of the shares subject to the option immediately after the substitution cannot be greater than the ratio of the option exercise price to the fair market value of the units subject to the option that existed immediately prior to the substitution (the "ratio test");
- the substituted option must contain all of the terms of the unit option, except to the extent such terms are rendered inoperative by the corporate transaction; and
- the substituted option must not provide the option holder with additional benefits that the option holder did not have under the unit option.

We will provide an option substitution agreement to each NCM LLC option holder that sets forth the terms and conditions related to the substitution of the option. We will provide a restricted stock agreement with each NCM LLC restricted unit holder that sets forth the terms and conditions related to the substitution of the restricted stock for the restricted units.

Pension Benefits

None of our named executive officers participate in or have account balances in qualified or non-qualified defined benefit plans sponsored by us.

Nonqualified Deferred Compensation

None of our named executive officers participate in or have account balances in non-qualified defined contribution plans or other deferred compensation plans maintained by us. The compensation committee, which will be comprised solely of "outside directors" as defined for purposes of Section 162(m) of the Internal Revenue Code, may elect to provide our officers and other employees with non-qualified defined contribution or deferred compensation benefits if the compensation committee determines that doing so is in our best interests.

Other Employee Benefits

Our employees, including our named executive officers, are entitled to various employee benefits. These benefits include the following: medical and dental insurance; flexible spending accounts for healthcare; life, accidental death and dismemberment and disability insurance; employee assistance programs (confidential counseling); a 401(k) plan; and paid time off.

We will offer a 401(k) plan to eligible employees as part of a 401(k) plan administered by NCM LLC. Under the plan, employee participants, including our named executive officers, may contribute up to 20% of their compensation, subject to Internal Revenue Code limitations. Employee contributions may be made after six months of service, and are invested in various investment funds based upon elections made by the employee. We may make discretionary matching contributions to the plan.

Employment and Other Agreements

The following is a summary of the employment agreements that are currently in effect between NCM LLC and each of the named executive officers. Upon the completion of this offering, NCM Inc. and NCM LLC will enter into new employment agreements on substantially the same terms as those discussed below with each of the named executive officers, under which NCM Inc. will be the employer and NCM LLC will be liable for any payments due to such employee.

Kurt C. Hall

On May 25, 2005, NCM LLC entered into an employment agreement with Kurt C. Hall to serve as President, Chief Executive Officer and Chairman of the Board of NCM LLC, for a term of three years. On each May 25, beginning in 2006, one year will be added to the term of the agreement. The agreement provides that Mr. Hall be paid a base salary at the rate of $625,000 per year, subject to annual increases at the discretion of the compensation committee. In addition to base salary, Mr. Hall is eligible to receive an annual cash bonus with a target bonus amount of at least 100% of his base salary and a stretch bonus amount of at least 150% of his base salary upon attainment of performance goals determined by the compensation committee. Mr. Hall will also be reimbursed for reasonable out-of-pocket expenses. If Mr. Hall is terminated from NCM LLC, for reasons other than permanent disability, death or cause, Mr. Hall will be entitled to severance equal to two times his base salary paid over 24 months and a prorated portion of any bonus he would have received in the fiscal year in which his termination occurs. Mr. Hall would also be entitled to continued coverage under any employee medical, health and life insurance plans for a 24-month period. If Mr. Hall resigns from NCM LLC with good reason, as defined in the agreement, he will be entitled to severance equal to two times his base salary and one times his target bonus payable in a lump sum, and a prorated portion of any bonus he would have received in the fiscal year in which his resignation occurs. Mr. Hall would also be entitled to continued coverage under any employee medical, health and life insurance plans for a 24-month period. If, within three months before or one year after a change of control, as defined in the agreement, Mr. Hall resigns for good reason or is terminated for reasons other than permanent disability, death or cause, Mr. Hall would be entitled to severance equal to two and one half times his base salary and two times his target bonus payable in a lump sum. Mr. Hall would also be entitled to a prorated portion of any bonus he would have received for the fiscal year in which the termination occurs, and would also be entitled to continued coverage under any employee medical, health and life insurance plans for a 30-month period. Under the agreement, during his employment and for 12 months thereafter, Mr. Hall, subject to certain limitations, has agreed not to compete with NCM LLC or any of its affiliates or subsidiaries or solicit anyone who was employed by these entities. Under the agreement, Mr. Hall has also agreed not to divulge or disclose confidential information of NCM LLC or its affiliates or subsidiaries except while employed by NCM LLC, in the business of and for the benefit of NCM LLC, or as required by law.

Clifford E. Marks

NCM LLC entered into a first amended and restated employment agreement with Mr. Marks effective as of October 1, 2006. The agreement has a term of 24 months. On the last day of the term, 24 months will be added to the termination date of the agreement. Under the agreement, Mr. Marks is paid a base salary at the rate of $675,000 per year with increases of 1% annually assuming an initial public offering occurs. In addition to base salary, Mr. Marks is eligible to receive an annual cash bonus equal to 25% of his base salary upon attainment of certain performance goals as determined by the chief executive officer and an additional annual cash bonus up to 80% of his base salary based upon attainment of certain sales targets as determined by the chief executive officer. The compensation committee of the board will review Mr. Marks' bonus structure and may adjust the bonus structure in its sole discretion. If Mr. Marks is terminated from NCM LLC, for reasons other than disability, death or cause, as defined in the agreement, or if Mr. Marks resigns for good reason, as defined in the agreement Mr. Marks will be entitled to severance equal the greater of his base salary paid over the remaining existing term of the 24 month contract and a bonus equal to the last bonus paid per month applied against the remaining contract period or one year of base salary plus 100% of the bonus amount paid for the last full year of employment. Mr. Marks would also be entitled to continued coverage under any employee benefit plans until the

date he receives equivalent coverage but not longer than the period for which his base salary is paid after termination. Under the agreement, during his employment and for 12 months thereafter, Mr. Marks has agreed not to compete with NCM LLC, its affiliates or subsidiaries, or solicit anyone who is an employee, officer or agent of these entities. Under the agreement, Mr. Marks has also agreed not to divulge or disclose customer lists or trade secrets of NCM LLC or its affiliates or subsidiaries except in the course of carrying out his duties under the agreement or as required by law.

Gary W. Ferrera

In April 2006, NCM LLC entered into an employment agreement with Gary W. Ferrera to serve as Executive Vice President and Chief Financial Officer of NCM LLC, for a term of 12 months commencing on May 1, 2006. On the last day of the term, 12 months will be added to the termination date. The agreement provides that Mr. Ferrera be paid a base salary of $275,000 per year, increasing to $300,000 per year as of January 1, 2007 and subject to further annual increases at the discretion of the compensation committee. On January 1, 2007, Mr. Ferrera's base salary was increased to $325,000. In addition to base salary, Mr. Ferrera is eligible to receive an annual bonus of up to 75% of his base salary upon attainment of certain objective financial and subjective non-financial goals as determined by the chief executive officer. If Mr. Ferrera is terminated from NCM LLC, for reasons other than disability, death or cause, as defined in the agreement, or if Mr. Ferrera resigns for good reason, as defined in the agreement, Mr. Ferrera will be entitled to severance equal to his base salary paid over 12 months and any annual bonuses awarded but not yet paid. Mr. Ferrera would also be entitled to continued coverage under any employee medical, health and life insurance plans for a 12-month period, or the economic equivalent of such coverage. Under the agreement, during his employment and for 12 months thereafter, Mr. Ferrera has agreed not to compete with NCM LLC or any of its affiliates or subsidiaries, or solicit any of the employees, officers or agents of these entities. Under the agreement, Mr. Ferrera has also agreed not to divulge or disclose customer lists or trade secrets of NCM LLC or its affiliates or subsidiaries except in the course of carrying out his duties under the agreement or as required by law.

Thomas C. Galley

On May 25, 2005, NCM LLC entered into an employment agreement with Thomas C. Galley to serve as the Executive Vice President and Chief Technology and Operations Officer of NCM LLC, for a term of 18 months. On the last day of the term, 18 months will be added to the termination date. The agreement provides that Mr. Galley be paid a base salary at the rate of $257,500 per year, increasing to $325,000 per year as of July 6, 2005, and $375,000 beginning on January 4, 2006. On January 1, 2007, Mr. Galley's base salary was increased to $415,000. In addition to base salary, Mr. Galley is eligible to receive an annual cash bonus of up to 75% of his base salary upon attainment of certain objective financial and subjective non-financial goals as determined by the chief executive officer. If Mr. Galley is terminated from NCM LLC, for reasons other than disability, death or cause, as defined in the agreement, or if Mr. Galley resigns for good reason, as defined in the agreement, Mr. Galley will be entitled to severance equal to one and a half times his base salary paid over 18 months and any annual bonuses awarded but not yet paid. Mr. Galley would also be entitled to continued coverage under any employee medical, health and life insurance plans for an 18-month period, or the economic equivalent of such coverage. Under the agreement, during his employment and for 12 months thereafter, Mr. Galley has agreed not to compete with NCM LLC or any of its affiliates or subsidiaries, or solicit any of the employees, officers or agents of these entities. Under this agreement, Mr. Galley has also agreed not to divulge or disclose customer lists or trade secrets of NCM LLC or its affiliates or subsidiaries except in the course of carrying out his duties under the agreement or as required by law.

Ralph E. Hardy

On May 25, 2005, NCM LLC entered into an employment agreement with Ralph E. Hardy to serve as the Executive Vice President of NCM LLC. The term of employment terminates on each December 31, but will be considered automatically renewed unless notice of termination is given by either party. The agreement provides

that Mr. Hardy be paid a base salary at the rate of $210,000 per year, subject to annual review by the board. On January 1, 2007, Mr. Hardy's base salary was increased to $221,728. In addition to base salary, Mr. Hardy is eligible to receive an annual bonus as determined by the board. If Mr. Hardy is terminated from NCM LLC, for reasons other than disability, death or cause, as defined in the agreement, or if Mr. Hardy resigns for good reason, as defined in the agreement, Mr. Hardy will be entitled to severance equal to his base salary paid over 12 months and any annual bonuses awarded but not yet paid. Mr. Hardy would also be entitled to continued coverage under any employee medical, health and life insurance plans for a 12-month period, or the economic equivalent of such coverage. Under the agreement, during his employment and for so long as he is entitled to receive any benefits or payment under the agreement (but in no event less than 12 months), Mr. Hardy has agreed not to compete with NCM LLC or any of its affiliates or subsidiaries, or solicit any of the employees, officers or agents of these entities. Under the agreement, Mr. Hardy has also agreed not to divulge or disclose customer lists or trade secrets of NCM LLC or its affiliates or subsidiaries except in the course of carrying out his duties under the agreement or as required by law.

Potential Payments Upon Termination or Change of Control

The following summaries set forth potential payments payable to our named executive officers upon termination of their employment or a change of control of NCM Inc. under their employment agreements to be in effect following the completion of this offering and under the NCM Inc. 2007 Equity Incentive Plan. The following discussion is based on the following assumptions:

- the actual bonus amount would be the target award amount reported as a non-equity incentive plan award in the "Grants of Plan Based Awards" table; and
- the common stock price is $19.00.

The potential payments described below are estimated based upon these assumptions. Actual payments may be more or less than the amounts described below. In addition, the company may enter into new arrangements or modify these arrangements, from time to time.

Kurt C. Hall

If Mr. Hall is terminated from NCM Inc., for reasons other than permanent disability, death or cause, he will be entitled to severance equal to two times his base salary paid over 24 months and a prorated portion of any bonus he would have received in the fiscal year in which his termination occurs paid at the same time bonuses are paid to other executives. Mr. Hall would also be entitled to continued coverage under any employee medical, health and life insurance plans for a 24-month period. If Mr. Hall resigns from NCM Inc. with good reason, as defined in the agreement, he will be entitled to severance equal to two times his base salary and one times his target bonus payable in a lump sum, and a prorated portion of any bonus he would have received in the fiscal year in which his resignation occurs paid at the same time bonuses are paid to other executives. Mr. Hall would also be entitled to continued coverage under any employee medical, health and life insurance plans for a 24-month period. If, within three months before or one year after a change of control, as defined in the agreement, Mr. Hall resigns for good reason or is terminated for reasons other than permanent disability, death or cause, he would be entitled to severance equal to two and one half times his base salary and two times his target bonus payable in a lump sum. Mr. Hall would also be entitled to a prorated portion of any bonus he would have received in the fiscal year in which the termination occurs paid at the same time bonuses are paid to other executives, and would also be entitled to continued coverage under any employee medical, health and life insurance plans for a 30-month period. If Mr. Hall terminates employment due to his death, his beneficiaries will receive his actual bonus for the year of his death prorated by the number of days until his death paid at the same time bonuses are paid to other executives and one year of continued medical benefits for his spouse and eligible dependents. If Mr. Hall terminates employment on account of his permanent disability, Mr. Hall will receive his actual bonus for the year prorated by the number of days until his termination of employment paid at the same time bonuses are paid to other executives and one year of continued medical benefits for his spouse and eligible

dependents. Under the equity incentive plan, if within three months prior to or one year after the consummation of a change of control, as defined in the plan, Mr. Hall's employment is terminated by NCM Inc., its affiliate or a successor in interest without cause or by Mr. Hall for good reason, both as defined in the plan, then all outstanding options shall become immediately exercisable and all other awards shall become vested and any restrictions will lapse.

Assuming Mr. Hall's employment was terminated under each of these circumstances on December 28, 2006, such payments and benefits have an estimated value of:

	Cash Severance	Bonus	Medical Insurance Continuation	Life Insurance Continuation	Value of Accelerated Equity and Performance Awards
Without Cause	$ 1,250,000	$ 625,000	$ 27,535	$ 2,701	—
For Good Reason	$ 1,250,000	$ 1,250,000	$ 27,535	$ 2,701	—
Without Cause or For Good Reason 3 months prior or one year following a Change of Control	$ 1,562,500	$ 1,875,000	$ 34,419	$ 3,376	$ 1,165,589
Death	—	$ 625,000	$ 13,768	—	—
Disability	—	$ 625,000	$ 13,768	$ 3,376	—

Clifford E. Marks

If Mr. Marks is terminated from NCM Inc., for reasons other than disability, death or cause, as defined in the agreement, or if Mr. Marks resigns for good reason, as defined in the agreement, or his agreement is not renewed on substantially equal terms, he will be entitled to severance equal to the greater of (1) his base salary paid over the remaining existing term of the 24 month contract and a bonus equal to the last bonus paid per month applied against the remaining contract period or (2) one year of base salary plus 100% of the bonus amount paid for the last full year of employment. Mr. Marks would also be entitled to continued coverage under any employee benefit plans until the date he receives equivalent coverage but not longer than the period for which his base salary is paid after termination. Under the equity incentive plan, if within three months prior to or one year after the consummation of a change of control, as defined in the plan, Mr. Marks employment is terminated by NCM Inc., its affiliate or a successor in interest without cause or by Mr. Marks for good reason, both as defined in the plan, then all outstanding options and stock appreciation rights shall become immediately exercisable and all other awards shall become vested and any restrictions will lapse.

Assuming Mr. Marks' employment was terminated under each of these circumstances on December 28, 2006, such payments and benefits have an estimated value of:

	Cash Severance	Bonus	Medical Insurance Continuation	Life Insurance Continuation	Value of Accelerated Equity and Performance Awards
Without Cause or For Good Reason or Expiration of Agreement	$ 1,181,250	$ 1,181,250	$ 24,093	$ 2,552	—
Death	—	—	$ 24,093	—	—
Disability*	$ 337,500	—	$ 13,768	$ 1,458	—
Without Cause or For Good Reason 3 months prior or one year following a Change of Control	—	—	—	—	$ 647,305

* net of amounts offset by disability insurance payments

Gary W. Ferrera

If Mr. Ferrera is terminated from NCM Inc. for reasons other than disability, death or cause, as defined in the agreement, or if Mr. Ferrera resigns for good reason, as defined in the agreement, he will be entitled to severance equal to his base salary paid over 12 months and any annual bonuses awarded but not yet paid. Mr. Ferrera would also be entitled to continued coverage under any employee medical, health and life insurance plans for a 12-month period, or the economic equivalent of such coverage. If Mr. Ferrera terminates employment due to his death, his beneficiaries will receive his base salary paid through the end of the month of his death and one year of continued medical benefits for his spouse and eligible dependents. If Mr. Ferrera terminates employment on account of his disability, in exchange for a release of claims against the company, he will be entitled to his base salary for a period of six months following termination, offset by any disability benefits provided under a company sponsored benefit arrangement, and one year of continued benefits. Under the equity incentive plan, if within three months prior to or one year after the consummation of a change of control, as defined in the plan, Mr. Ferrera's employment is terminated by NCM Inc., its affiliate or a successor in interest without cause or by Mr. Ferrera for good reason, both as defined in the plan, than all outstanding options and stock appreciation rights shall become immediately exercisable and all other awards shall become vested and any restrictions will lapse.

Assuming Mr. Ferrera's employment was terminated under each of these circumstances on December 28, 2006, such payments and benefits have an estimated value of:

	Cash Severance	Bonus	Medical Insurance Continuation	Life Insurance Continuation	Value of Accelerated Equity and Performance Awards
Without Cause or For Good Reason or Expiration of Agreement	$ 300,000	—	$ 13,768	$ 594	—
Death	—	—	$ 13,768	—	—
Disability*	$ 150,000	—	$ 13,768	$ 594	—
Without Cause or For Good Reason 3 months prior or one year following a Change of Control	—	—	—	—	$ 117,996

* net of amounts offset by disability insurance payments

Thomas C. Galley

If Mr. Galley is terminated from NCM Inc. for reasons other than disability, death or cause, as defined in the agreement, or if Mr. Galley resigns for good reason, as defined in the agreement or his agreement is not renewed on substantially equal terms, he will be entitled to severance equal to one and a half times his base salary paid over 18 months and any annual bonuses awarded but not yet paid. Mr. Galley would also be entitled to continued coverage under any employee medical, health and life insurance plans for an 18-month period, or the economic equivalent of such coverage. If Mr. Galley terminates employment due to his death, his beneficiaries will receive his base salary paid through the end of the month of his death and one year of continued medical benefits for his spouse and eligible dependents. If Mr. Galley terminates employment on account of his disability, in exchange for a release of claims against the company, he will be entitled to his base salary for a period of six months following termination, offset by any disability benefits provided under a company sponsored benefit arrangement, and one year of continued benefits. Under the equity incentive plan, if within three months prior to or one year after the consummation of a change of control, as defined in the plan, Mr. Galley's employment is terminated by NCM Inc., its affiliate or a successor in interest without cause or by Mr. Galley for good reason, both as defined in the plan, then all outstanding options and stock appreciation rights shall become immediately exercisable and all other awards shall become vested and any restrictions will lapse.

Assuming Mr. Galley's employment was terminated under each of these circumstances on December 28, 2006, such payments and benefits have an estimated value of:

	Cash Severance	Bonus	Medical Insurance Continuation	Life Insurance Continuation	Value of Accelerated Equity and Performance Awards
Without Cause or For Good Reason or Expiration of Agreement	$ 562,500	—	$ 20,651	$ 1,215	—
Death	—	—	$ 13,768	—	—
Disability*	$ 187,500	—	$ 13,768	$ 810	—
Without Cause or For Good Reason 3 months prior or one year following a Change of Control	—	—	—	—	$ 359,135

* net of amounts offset by disability insurance premiums.

Ralph E. Hardy

If Mr. Hardy is terminated from NCM Inc. for reasons other than disability, death or cause, as defined in the agreement, or if Mr. Hardy resigns for good reason, as defined in the agreement, he will be entitled to severance equal to his base salary paid over 12 months and any annual bonuses awarded but not yet paid. Mr. Hardy would also be entitled to continued coverage under any employee medical, health and life insurance plans for a 12-month period, or the economic equivalent of such coverage. If Mr. Hardy terminates employment due to his death, his beneficiaries will receive his base salary paid through the end of the month of his death and one year of continued medical benefits for his spouse and eligible dependents. If Mr. Hardy terminates employment on account of his disability, in exchange for a release of claims against the company, he will be entitled to his base salary for a period of six months following termination, offset by any disability benefits provided under a company sponsored benefit arrangement, and one year of continued benefits. Under the equity incentive plan, if within three months prior to or one year after the consummation of a change of control, as defined in the plan, Mr. Hardy's employment is terminated by NCM Inc., its affiliate or a successor in interest without cause or by Mr. Hardy for good reason, both as defined in the plan, then all outstanding options and stock appreciation rights shall become immediately exercisable and all other awards shall become vested and any restrictions will lapse.

Assuming Mr. Hardy's employment was terminated under each of these circumstances on December 28, 2006, such payments and benefits have an estimated value of:

	Cash Severance	Bonus	Medical Insurance Continuation	Life Insurance Continuation	Value of Accelerated Equity and Performance Awards
Without Cause or For Good Reason or Expiration of Agreement	$ 210,000	—	$ 13,768	$ 465	—
Death	—	—	$ 13,768	—	—
Disability*	$ 105,000	—	$ 13,768	$ 465	—
Without Cause or For Good Reason 3 months prior or one year following a Change of Control	—	—	—	—	$ 129,494

* net of amounts offset by disability insurance premiums

Director Compensation

Non-Employee Directors

Prior to this offering, we reimbursed all directors for any out-of-pocket expenses incurred by them in connection with services provided in such capacity. Our directors have not received any compensation for serving as directors prior to this offering.

Upon completion of this offering, directors who are not our employees or employees of our founding members will receive an annual cash retainer of $20,000, plus $1,500 for each meeting of the board of directors they attend. In addition, non-employee directors will receive a restricted stock grant valued at $20,000, which will have a one-year vesting schedule. Annual retainers will be paid to the chairperson of each committee of the board of directors as follows: $10,000 for the audit committee chairperson and $5,000 for each of the compensation committee chairperson and the governance committee chairperson. Audit committee members also will receive $1,500 for each audit committee meeting they attend, and compensation committee and governance committee members will receive $1,000 for each meeting of those committees they attend. We will reimburse all of our directors for reasonable travel, lodging and other expenses related to their service on our board of directors.

Employee Directors

Our employees who also serve as directors will receive compensation for their services as employees, but they will not receive any additional compensation for their service as directors.

Limitation of Liability and Indemnification of Directors and Officers

As permitted by the Delaware General Corporation Law, or DGCL, we have adopted provisions in our certificate of incorporation that limit or eliminate the personal liability of our directors and officers to the fullest extent permitted by applicable law. The duty of care generally requires that, when acting on behalf of the corporation, directors and officers exercise an informed business judgment based on all material information reasonably available to them. Consequently, a director or officer will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director or officer, except for liability for:

- any breach of the person's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any act related to unlawful stock repurchases, redemptions or other distributions or payment of dividends; or
- any transaction from which the person derived an improper personal benefit.

These limitations of liability do not generally affect the availability of equitable remedies such as injunctive relief or rescission.

As permitted by the DGCL, our certificate of incorporation and bylaws provide that:

- we will indemnify our current and former directors and officers and anyone who is or was serving at our request as the director, officer, employee or agent of another entity, and may indemnify our current or former employees and other agents, to the fullest extent permitted by the DGCL, subject to limited exceptions; and
- we may purchase and maintain insurance on behalf of our current or former directors, officers, employees or agents against any liability asserted against them and incurred by them in any such capacity, or arising out of their status as such.

We currently maintain liability insurance for our directors and officers.

Our certificate of incorporation requires us to advance expenses to our directors and officers in connection with a legal proceeding, subject to receiving an undertaking from such director or officer to repay advanced amounts if it is determined he or she is not entitled to indemnification. Our bylaws provide that we may advance expenses to our employees and other agents, upon such terms and conditions, if any, as we deem appropriate.

We intend to enter into separate indemnification agreements with each of our directors and officers, which may be broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements may require us, among other things, to indemnify our directors and officers against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements may also require us to advance any expenses incurred by the directors or officers as a result of any proceeding against them as to which they could be indemnified and to obtain directors' and officers' insurance, if available on reasonable terms.

Our certificate of incorporation expressly provides that we renounce any interest in business opportunities, or options to participate in such opportunities, that relate to our business and that are presented to our directors, officers (except officers approached in their capacity as an officer of NCM Inc.), and stockholders, both direct and indirect, or members of NCM LLC. Our certificate of incorporation further provides that no such person will be liable for breach of any obligation to present any such business opportunity to us, even if that opportunity is one which we might reasonably have the ability or desire to pursue, unless that opportunity was offered to such person in his or her capacity as our officer.

Under the third restated LLC agreement of NCM LLC, which will become effective upon the completion of this offering and is described in more detail under "Certain Relationships and Related Party Transactions—Transactions with Founding Members—NCM LLC Operating Agreement" below, NCM LLC will indemnify managers, members and officers against liabilities that arise in connection with the business of NCM LLC and any activities of any managers, members and officers involving actions taken on behalf of NCM LLC, provided that the indemnification will not apply to acts of gross negligence or willful misconduct or a breach of any agreement between the indemnitee and us.

The third restated LLC agreement also provides that, while no member may have other business interests that compete with NCM LLC, any affiliate of a member or stockholder of NCM Inc. may have other business interests and may engage in any other businesses of any kind, including businesses that compete with our business and purpose.

Currently, to our knowledge, there is no pending litigation or proceeding involving any of our directors, officers, employees or agents in which indemnification by us is sought, nor are we aware of any threatened litigation or proceeding that may result in a claim for indemnification.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for our directors, officers and controlling persons under the foregoing provisions or otherwise, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

General

Before the completion of this offering, NCM LLC has been wholly owned by our founding members. In connection with the completion of this offering, we will purchase from NCM LLC a number of newly issued common membership units equal to the number of shares sold in the public offering, at a price per unit equal to the public offering price per share, less underwriting discounts and commissions and related offering expenses. NCM LLC will pay all of the proceeds it receives from us to our founding members for their agreeing to modify our payment obligations under our exhibitor services agreements. Following this acquisition, we will own 40.5% of the outstanding common membership units in NCM LLC, and the founding members collectively will own 59.5% of the outstanding common membership units in NCM LLC.[1] If the underwriters exercise their over-allotment option to purchase additional shares in full, we will acquire an equivalent number of additional units in NCM LLC promptly after issuing additional shares pursuant to the over-allotment option, and our aggregate ownership of NCM LLC will increase to 44.8%. We will be the sole managing member of NCM LLC.

We intend to enter into several agreements to effect the reorganization and the financing transaction and to define and regulate the relationships among us, NCM LLC and the founding members after the completion of the reorganization and this offering. Except as described in this section, we do not expect to have any material arrangements with NCM LLC, the founding members or any of our or their respective directors, officers or other affiliates after the completion of the reorganization and this offering, other than ordinary course business relationships on arm's length terms.

The summaries of the agreements contained in this prospectus are qualified by reference to the complete text of agreements which have been or will be filed with the SEC as exhibits to the registration statement of which this prospectus is a part. For information on how to obtain copies of these agreements or other exhibits, see "Where You Can Find More Information" on page 172.

Transactions with Founding Members

Exhibitor Services Agreements

The exhibitor services agreements to be entered into in connection with the completion of this offering will govern the terms by which NCM LLC provides advertising services, meeting events and digital programming events in the founding members' theatres using the digital content network. Each founding member is party to a separate exhibitor services agreement with NCM LLC. The terms of each founding member's exhibitor services agreement are substantially the same.

Agreement in Effect Before the Reorganization. Each of the founding members is party to an agreement with NCM LLC dated as of July 15, 2005, which governs the provision of advertising, meetings and digital programming events by NCM LLC. In the case of AMC and Regal, these agreements were amended and restated to reflect Cinemark's new participation as a founding member. For the nine months ended December 29, 2005 and the nine months ended September 28, 2006, the aggregate amounts payable to founding members pursuant to these agreements were approximately $95.8 million and $97.7 million respectively. In connection with the completion of this offering, we will enter into amended and restated agreements with each founding member that will be in effect following the reorganization.

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[1] Excludes unvested restricted stock and shares underlying unvested stock options that will be granted by NCM Inc., which will result in an increase in the number of common membership units held by NCM Inc. upon vesting or exercise, respectively. A 10% increase in the number of shares of common stock sold would result in an increase of 2.3% in the percentage of NCM LLC membership units held by NCM Inc. and a corresponding reduction in the percentage held by the founding members.

Agreement in Effect After the Reorganization. Certain basic terms of the exhibitor services agreements are discussed below:

Services Provided. Pursuant to the exhibitor services agreements, NCM LLC will be the exclusive provider within the United States of advertising services in the founding members' theatres (subject to pre-existing contractual obligations and other limited exceptions for the benefit of the founding members), as well as of meeting events and digital programming events, and the founding members agree to participate in such services. Advertising services include on-screen advertising, use of the lobby entertainment network and lobby promotions. Meeting events involve the hosting of meetings and distribution of digital content. Digital programming events involve the distribution of digital programming events. See "Business—Our Company—In-Theatre Advertising," "Business—Our Company—CineMeetings" and "Business—Our Company—Digital Programming Events (NCM Fathom)" above for additional discussion of these businesses. The content, promotions, events, meetings and activities that are included within the services provided by NCM LLC are generally referred to herein as the services.

Term and Termination. The exhibitor services agreements will have a term of 30 years for advertising. The terms for CineMeetings and digital programming will each be approximately five years with provisions for automatic renewal if certain financial performance conditions are met by our CineMeetings or digital programming business, as applicable. If such financial performance conditions are not met, the founding member may elect to extend the term relating to CineMeetings or digital programming, as applicable. Beginning one year prior to the end of the term of an exhibitor services agreement, NCM LLC will have a five-year right of first refusal to enter into a services agreement for the services provided under the exhibitor services agreement with the applicable founding member on terms equivalent to those offered by a third-party.

Either party may terminate the agreement upon:

- a material breach of the exhibitor services agreement by the other party after notice and a cure period;
- a government, regulatory or judicial injunction, order or decree; or
- bankruptcy, insolvency or dissolution of the other party, appointment of a receiver or trustee for the other party who is not dismissed within 60 days or cessation of business or inability to pay debts.

Theatres. The founding members will be required to make all their theatres available for the services, including theatres that are newly acquired or built during the term of the exhibitor services agreement, but excluding draft house and art house theatres (attendance at which shall not exceed 4% of the attendance at the founding member's participating theatres for the preceding year) and screens exhibiting IMAX technology. For newly acquired theatres that are subject to contracts with an alternative cinema advertising provider, if the founding member wishes to receive common membership units in NCM LLC (as provided in the common unit adjustment agreement described below) at the time the theatres are acquired, the exhibitor services agreement will provide that the founding member may make certain run out payments until NCM LLC can utilize the theatres for all of its services. Alternatively, the founding member may wait to receive common membership units for the acquired theatres until the contracts with the alternative providers have expired and NCM LLC may provide its services without limitation.

Lobby Entertainment Network. With exceptions for digitized theatres that already have lobby screens for the lobby entertainment network, the founding member will be required to place one lobby entertainment network screen in digitized theatres with ten or fewer auditoriums, two lobby entertainment network screens in digitized theatres with eleven to twenty auditoriums and three lobby entertainment network screens in digitized theatres with more than twenty auditoriums.

Inventory. The pre-feature program for digital on-screen advertising will be 20 to 30 minutes long, and the founding members covenant to use commercially reasonable efforts to open their auditoriums to customers at

least 20 minutes prior to the advertised show time. Lobby entertainment network advertising will be displayed in a repeating loop. With respect to lobby promotions, there is an inventory of lobby promotions that are pre-approved by the founding members. Additional lobby promotions may be added to the pre-approved inventory upon consent by NCM LLC and the founding member. For digital programming events and meeting events (except church worship services, which require approval), the exhibitor services agreement also will establish pre-approved periods when such events may be exhibited in applicable theatres, specifically on Monday through Thursday evenings for digital programming events and Monday through Thursday from 6:00 a.m. to 6:00 p.m. for meetings, in both cases except during specified peak holiday periods. Digital programming events may be exhibited and meeting events may be conducted at other times upon consent by NCM LLC and the founding member.

Payments. In consideration for NCM LLC's access to our founding members' theatre attendees for on-screen advertising and use of off-screen locations within the founding member's theatres for the lobby entertainment network and lobby promotions, the founding members will receive a monthly theatre access fee under the exhibitor services agreements. The theatre access fee is composed of a fixed payment per patron and a fixed payment per digital screen, which will be adjusted for any advertising exhibited by some, but not all, theatres or founding members because of content objections or technical capacity. The payment per theatre patron will increase by 8% every five years with the first such increase taking effect after the end of fiscal 2011 and the payment per digital screen will increase annually by 5%, beginning after the end of fiscal 2007. The theatre access fee paid in the aggregate to all founding members will not be less than 12% of NCM LLC's aggregate advertising revenue (as defined in the exhibitor services agreement), or it will be adjusted upward to reach this minimum payment.

As described in "Use of Proceeds," NCM LLC will also pay all of the proceeds it receives from us to the founding members for their agreeing to modify NCM LLC's payment obligation under the exhibitor services agreements. The modification agreed to by the founding members reflects a shift from circuit share expense under the prior agreements with our founding members, which previously obligated NCM LLC to pay the founding members a percentage of revenue, to the monthly theatre access fee under the exhibitor services agreements.

In consideration for the exhibition of digital programming events, the founding members will retain 15% of the revenue from ticket sales, net of taxes and refunds and 100% of the concession sales. NCM LLC will distribute a total of 15% of the net revenue received from any promotional fee for a digital programming event to the founding members that participated in such digital programming event, allocated based upon the number of tickets sold. Revenue from meeting events will be shared based on the type of event. For Meetings with a Movie, the founding member will retain the proceeds of movie ticket sales for a full sale of the auditorium (at adult ticket prices) and NCM LLC will retain other fees associated with the meeting. For meetings without a movie, NCM LLC will pay the founding member 15% of the rental revenue for the meeting. For church worship services, NCM LLC will pay the founding member 50% of the rental revenue for the meeting.

NCM LLC will pay the cost associated with providing its services to the founding members' theatres, which includes selling and marketing expenses (including base salaries, commissions and benefits of our advertising sales staff and marketing, public relations and research departments), network operations and maintenance costs (including costs to run our network operations center, satellite bandwidth costs and costs for the maintenance of the network software and hardware), advertising and event costs (including production and other costs associated with non-digital advertising, and direct costs of events) and administrative expenses (including salaries, bonuses and benefits for our administrative staff and occupancy costs). The founding members pay the in-theatre operational costs of exhibiting the services within the theatres (such as electricity), except that any incremental costs (such as third-party security at digital programming events) are reimbursed by NCM LLC.

Beverage Concessionaire Agreements. Under the exhibitor services agreements, NCM LLC will display up to 90 seconds of on-screen advertising for beverage concessionaires at the time established in their agreements with the founding members, but the founding members are required to pay an initial beverage agreement

advertising rate based on CPM for the beverage advertising. As long as the beverage agreement advertising rate does not exceed the highest rate being charged by NCM LLC for on-screen advertising, the rate will increase annually at a rate of (a) 8% per year for each of the first two calendar years following fiscal 2007, (b) 6% per year for the next two fiscal years, and (c) for all following years, at an annual percentage equal to the annual increase in the advertising rate charged by NCM LLC to unaffiliated third parties.

Equipment. Founding members' existing digitized theatres have the requisite equipment to participate in the advertising services. For newly acquired and built theatres, as well as theatres converting from non-digitized to digitized capacities, NCM LLC is responsible for procuring the equipment necessary to deliver its services on behalf of the founding members, or the founding members have the option to procure equipment directly. NCM LLC will pay for the equipment that is placed outside of theatres and for any testing equipment installed within the theatres to maintain NCM LLC's software. The founding members will pay for all other equipment placed inside these theatres. Under the exhibitor services agreements, the founding members will be responsible for installation of equipment purchased, but they may elect to have NCM LLC perform the installation, in which case NCM LLC will be reimbursed for installation services. If satellite service is not available and a landline connection is required for delivery of its services, NCM LLC will pay for the costs of the landline connection with respect to delivery of content from NCM LLC to the founding member's wide area network, and the founding member will pay the costs with respect to delivery of content from its wide area network to its theatres.

Each party owns the equipment for which it pays or for which it reimburses the other party. NCM LLC may request replacement, upgrade or modification of equipment or software in any theatre, provided such request is made to all founding members, and NCM LLC and the founding member will negotiate the terms and cost-sharing of any upgrade requests. Under the exhibitor services agreements, if no agreement is reached regarding the upgrade request, NCM LLC may elect to pay for the proposed replacements, upgrades or modifications. The parties, pursuant to the exhibitor services agreement, agree to use commercially reasonable efforts to ensure that the digital content network will be integrated with any network for delivery of digital cinema services so that NCM LLC's services can be delivered over any such digital cinema network. NCM LLC will perform repair and routine maintenance of equipment, unless the founding member elects to assume this responsibility. If NCM LLC is performing repair and routine maintenance, it will bear the cost of repairs (subject to limited restrictions), but not replacement. The founding member will pay the expense of equipment repair or replacement if the expense would constitute a capital expense for NCM LLC or if the expense is payable by the founding member's insurance provider.

Content Standards. Section 4.03 of the exhibitor services agreements establishes content standards for the services that NCM LLC provides. Specifically, content may not (a) be subject to a Motion Picture Association of America "X" or "NC-17" rating or the equivalent; (b) promote illegal activity; (c) promote the use of tobacco, sexual aids, birth control, firearms, weapons or similar products; (d) promote alcohol, except prior to "R"-rated films in an auditorium; (e) constitute religious advertising, except the time and location for local church services; (f) constitute political advertising or promote gambling; (g) promote competitive theatres, theatre circuits or other entities that compete with the founding member or NCM LLC; (h) violate any of the founding member's beverage agreements or identified exclusive contractual relationships; or (i) otherwise negatively reflect on the founding member or adversely affect the founding member's attendance, as determined in the founding member's reasonable discretion and specified with respect to the geographical locations affected. If certain founding members decline to exhibit an advertisement on the basis of these content standards, while other founding members agree to exhibit it, the revenue from such advertisement is considered "4.03 Revenue." 4.03 Revenue will increase the theatre access fee paid to the founding members that displayed such advertisement relative to the founding members that did not display such advertisement in all or some of their theatres.

Founding Member Brand. The exhibitor services agreements provide that NCM LLC, in coordination with each founding member, will create a brand identity for the founding member, presented in interstitial messaging during the pre-feature program, including an introduction and close to the program. NCM LLC will also include in the pre-feature show up to two minutes for promotion of the founding member in segments called branded slots, and NCM LLC will include founding member branding in the policy trailer it produces. The branded slots may include

theatre advertising, as described below. The branded slots are provided by NCM LLC to the founding members at no charge and include 45 seconds within 15 minutes of show time, 15 seconds of which will be placed within 11 minutes of show time, and the remainder placed at NCM LLC's discretion. We may move the placement of the branded slots up to one minute further from the advertised movie show time if NCM LLC sells additional advertising units to third parties that will follow the branded slots. After the advertised show time (and after the pre-feature show), the founding members may also exhibit a policy trailer regarding theatre policy and operations. The policy trailer may include promotions of the founding member's concessions and may display branding of film studios, distributors or production companies. Upon prior written approval of the founding member, NCM LLC may sell advertising for inclusion in the policy trailer. Under the exhibitor services agreements, NCM LLC will provide, at no additional cost to the founding members, creative services to prepare branding material for the founding members, subject to a 1,000 hour annual limit for creative services to each founding member. After this hour limit is reached, the founding member may purchase additional creative services on an hourly basis.

Founding Member Strategic Programs. The exhibitor services agreements allow a founding member to exhibit advertising that is not directly related to theatre operations but is designed to promote the theatres or the movie-going experience to increase attendance or revenue (other than revenue from the sale of advertising) for the founding member (called a founding member strategic program). The founding member, at no cost, may use one minute for every 30 minutes of advertising on the lobby entertainment network and certain lobby promotions for its strategic programs in up to two local or regional promotions per theatre per flight (the approximately four- to five-week period that advertising content will run before being refreshed by NCM LLC) and up to four national promotions per year, provided that only one national promotion is running at any given time. The founding member may purchase an additional minute of lobby entertainment network time, for strategic programs at rate card rates and subject to availability. Any additional strategic advertising on the lobby entertainment network or as part of a lobby promotion must be agreed to by NCM LLC.

Theatre Advertising. The exhibitor services agreements permit the founding members to use their branded slot time (as described above) within the *FirstLook* program and the lobby entertainment network and certain lobby promotions to promote various activities associated with operation of the theatres, including concessions, ticketing partners, gift card and loyalty programs, special events presented by the founding member and vendors of non-film related services provided to theatres, so long as such promotions are incidental to the vendor's service (called theatre advertising). The exhibitor services agreements also permit the founding members to:

- purchase additional theatre advertising at an arm's length basis and subject to availability;
- include promotion of concessions and display branding of film studios, distributor or production companies in the policy trailer;
- exhibit theatre advertising and other internal programming, on lobby screens in excess of the lobby entertainment network requirements;
- promote the grand opening of a theatre with promotions involving local businesses for the period of 14 days before to 14 days after the opening of such theatre, which may include, subject to availability, one on-screen advertisement of 30 seconds in length;
- place advertising for full-length feature films on special popcorn tubs in circumstances where NCM LLC does not sell such advertising; and
- allow employee uniform suppliers to advertise on theatre employees' uniforms.

Legacy Agreements. In the current agreements between NCM LLC and the founding members, mechanisms were established to address the servicing of and allocation of revenue relating to legacy advertising contracts that existed between the founding members and third-party advertisers. The exhibitor services agreement will provide that all remaining legacy agreements are assigned by the founding members to NCM LLC, or if such assignment is not possible, the founding member will pay to NCM LLC all revenue from the legacy agreement and NCM LLC will perform the obligations under that agreement.

Non-Competition. The founding member agrees not to compete with NCM LLC in the businesses that the exhibitor services agreement authorizes NCM LLC to conduct, unless:

- the founding member or an affiliate acquires a competing business as an incidental part of an acquisition and disposes of the competing business as soon as practicable;
- the founding member and any affiliates acquire an aggregate direct or indirect ownership of less than 10% of the voting power of a competitive business; or
- the founding member enters into an agreement for the acquisition or installation of equipment or the provision of services with a competitor of NCM LLC, if there is no violation of NCM LLC's exclusive provision of services under the exhibitor services agreement.

Certain Other Provisions. The exhibitor services agreement includes (a) a limited license from NCM LLC to the founding member for use of NCM LLC's software and marks and (b) a limited license from the founding member to NCM LLC for use of the founding member's marks. Each party makes standard representations and warranties, such as due formation and authorization to enter into and perform the agreement, and each party agrees to indemnify the other for certain liabilities. If the exhibitor services agreement with one founding member is amended, other founding members have the right to amend their exhibitor services agreements to match such change pursuant to a most-favored nations provision. Neither party may assign, including by operation of law, its rights or obligations under the exhibitor services agreement, except to certain permitted transferees affiliated with the transferring entity.

NCM LLC Operating Agreement

Agreement in Effect Before the Completion of the Offering. The founding members are parties to an amended and restated limited liability company operating agreement dated as of July 15, 2005, as amended, which governs the operations of NCM LLC. We refer to this agreement as the current LLC agreement. Under the current LLC agreement, NCM LLC is governed by a ten-member board of directors, who qualify as "managers" for purposes of the Delaware limited liability company statute. Each of Regal, AMC and Cinemark appoints three directors, and the tenth director is NCM LLC's chief executive officer. Each founding member's designation rights continue for as long as that member owns Class A membership units of NCM LLC. Board actions require a majority director vote, defined as the vote of nine directors.

The current LLC agreement provides for the creation of an audit committee, compensation committee and finance committee of the board of directors. All committees must consist of at least six directors, including two directors designated by each founding member. The current LLC agreement also provides for the appointment of a chief executive officer, chief financial officer, chief technology and operations officer and chief sales and marketing officer, whose appointments must be approved by the board.

By amendment dated December 12, 2006, the current LLC agreement was amended to adjust the number of units held by each founding member to account for Cinemark's participation in NCM LLC, including with the Century theatres, on an annualized basis for the trailing twelve months ended October 26, 2006. By amendment effective January 5, 2007, the current LLC agreement was further amended to adjust the number of units held by each founding member to account for the effective integration of the Loews screens on an annualized basis for the trailing twelve months ended December 28, 2006.

Agreement in Effect After the Offering. In connection with the completion of this offering, we and the founding members will enter into a third amended and restated limited liability company operating agreement of NCM LLC, which will become effective upon the completion of this offering. We refer to this agreement as the third restated LLC agreement.

Appointment as Manager. Under the third restated LLC agreement, we will become a member and the sole manager of NCM LLC. As the sole manager, we will be able to control all of the day to day business affairs and

decision-making of NCM LLC without the approval of any other member. As such, we, through our officers and directors, will be responsible for all operational and administrative decisions of NCM LLC and the day-to-day management of NCM LLC's business. Furthermore, we cannot be removed as manager of NCM LLC.

Except as necessary to avoid being classified as an investment company or with the founding members' approval, as long as we are the manager of NCM LLC our business will be limited to owning and dealing with units, managing the business of NCM LLC, fulfilling our obligations under the Exchange Act and activities incidental to the foregoing.

Founding Member Approval Rights. If any director designee to our board of directors designated by our founding members is not appointed to our board, nominated by us or elected by our stockholders, as applicable, then each of the founding members (so long as such founding member continues to own 5% of NCM LLC's issued and outstanding common membership units) will be entitled to approve the following actions of NCM LLC:

- approving any budget or any amendment or modification of the budget;
- incurring any indebtedness or entering into or consummating any other financing transaction that is not provided for in the budget;
- entering into or consummating any agreements or arrangements involving annual payments by NCM LLC (including the fair market value of any barter) in excess of $5 million (subject to annual adjustment based on the Consumer Price Index), except as otherwise provided in the budget, or any material modification of any such agreements or arrangements;
- entering into or consummating any agreements or arrangements involving annual receipts (including the fair market value of any barter) in excess of $20 million (subject to annual adjustment based on the Consumer Price Index), or any material modification of any such agreements or arrangements;
- except as contemplated herein, declaring, setting aside or paying any redemption of, dividends on, or the making of any other distributions in respect of, any of its membership units or other equity interests in NCM LLC, as the case may be, payable in cash, stock, property or otherwise, or any reorganization or recapitalization or split, combination or reclassification or similar transaction of any of its units, limited liability company interests or capital stock, as the case may be;
- amending any provision of the third restated LLC operating agreement to authorize, or to issue, any additional membership units or classes of units or other equity interests and the designations, preferences and relative, participating or other rights, powers or duties thereof;
- hiring or terminating the employment of the chief executive officer, chief financial officer, chief technology officer or chief sales and marketing officer of NCM LLC, or the entering into, amendment or termination of any employment, severance, change of control or other contract with any employee who has a written employment agreement with NCM LLC;
- changing the purposes of NCM LLC, or the provision by NCM LLC of any services beyond the scope of the services defined in the exhibitor services agreements, or services outside of the United States or Canada;
- entering into any agreement with respect to or the taking of any material steps to facilitate a transaction that constitutes a change of control of NCM LLC or a proposal for such a transaction;
- leasing (as lessor), licensing (as licensor) or other transfer of assets (including securities) (x) having a fair market value or for consideration exceeding $10 million (subject to annual adjustment based on the Consumer Price Index), taken as a whole, or (y) to which the revenue or the profits attributable exceed $10 million (subject to annual adjustment based on the Consumer Price Index), taken as a whole, in any one transaction or series of related transactions, in each case, determined using the most recent quarterly consolidated financial statement of NCM LLC;

- entering into any agreement with respect to or consummating any acquisition of any business or assets having a fair market value in excess of $10 million (subject to annual adjustment based on the Consumer Price Index) taken as a whole, in any one transaction or series of related transactions, whether by purchase and sale, merger, consolidation, restructuring, recapitalization or otherwise;
- settling claims or suits in which NCM LLC is a party for an amount that exceeds the relevant provision in the budget by more than $1 million (subject to annual adjustment based on the Consumer Price Index) or where equitable or injunctive relief is included as part of such settlement;
- entering into, modifying or terminating any material contract or transaction or series of related transactions (including by way of barter) between (x) NCM LLC or any of its subsidiaries and (y) any member or any affiliate of any member or any person in which any founding member has taken, or is negotiating to take, a material financial interest, in each case, other than relating to the purchase or sale of products or services in the ordinary course of business of NCM LLC;
- entering into any agreement for NCM LLC to provide to any new member or affiliate of any new member any services similar to those set forth in the exhibitor services agreement, or admitting to NCM LLC any new member;
- entering into, modifying or terminating any agreement for NCM LLC to provide any services to any person (other than a member or affiliate of a member) that requires capital expenditures or guaranteed payments in excess of $1 million annually (subject to annual adjustment based on the Consumer Price Index);
- dissolution of NCM LLC; the adoption of a plan of liquidation of NCM LLC; any action by NCM LLC to commence any suit, case, proceeding or other action (i) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors seeking to have an order for relief entered with respect to NCM LLC, or seeking to adjudicate NCM LLC as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to NCM LLC, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for NCM LLC, or for all or any material portion of the assets of NCM LLC, or making a general assignment for the benefit of the creditors of NCM LLC;
- approving any significant tax matters;
- valuation determinations to be made under the third restated LLC operating agreement;
- amending or changing certain provisions of the third restated LLC operating agreement; and
- any expenditure by NCM LLC to replace, upgrade or modify any equipment or software owned by any of the founding members or their affiliates.

For purposes of calculating the 5% ownership thresholds discussed above, shares of our common stock held by a founding member and received upon redemption of NCM LLC common membership units will be counted toward the threshold, but common membership units issued to NCM Inc. in connection with the redemption of common membership units by a founding member will be excluded, so long as such founding member continues to hold the common stock acquired through such redemption or such founding member has disposed of such shares of common stock to another founding member. Shares of our common stock otherwise acquired by the founding members will also be excluded, unless such shares of common stock were transferred by one founding member to another and were originally received by the transferring founding member upon redemption of NCM LLC common membership units. NCM LLC common membership units held by permitted transferees of a founding member will be combined with units held by the founding member for purposes of determining whether the 5% threshold has been met, and the founding member and its permitted transferees may exercise their designation rights jointly. Permitted transferees include affiliates of the founding member and entities that are owned more than 50% by the same entity or entities that ultimately control the founding member.

Compensation. We will not be entitled to compensation for our services as manager except as provided in the management services agreement described under "—Transactions with NCM LLC" below, or as otherwise approved by a vote of the members holding a majority of the outstanding common membership units plus each founding member. We will be entitled to reimbursement by NCM LLC for our reasonable out-of-pocket expenses incurred on its behalf.

Distributions. The third restated LLC agreement provides for mandatory distributions to members of all available cash. Available cash is defined in the third restated LLC agreement to be the amount equal to:

- NCM LLC's EBITDA, *plus*
- any non-cash items of deduction or loss subtracted in determining NCM LLC's earnings, interest income, amounts received pursuant to the Loews screen integration agreement and common unit adjustment agreement or other similar agreements, amounts contributed to NCM LLC from the exercise of options or vesting of shares for other types of equity compensation and net proceeds from the sale of NCM LLC assets, and *minus*
- non-cash items of interest or gain added in determining NCM LLC's earnings, amounts paid under the exhibitor services agreements, management services agreement and common unit adjustment agreement or other similar agreements, taxes, capital expenditures, certain principal payments under the new revolving credit facility, remaining amounts owed to our founding members under the existing exhibitor services agreements, mandatory principal and interest payments and other amounts paid under funded indebtedness and other restricted funds.

Available cash will not include amounts drawn or paid under NCM LLC's working capital line of credit. The mandatory distributions must occur quarterly.

Transfer Restrictions. The third restated LLC agreement generally permits transfers of membership units of NCM LLC, subject to limited exceptions. Any transferee of membership units must assume, by operation of law or written agreement, all of the obligations of the transferring member with respect to the transferred units, even if the transferee is not admitted as a member of NCM LLC. In the event of a transfer of membership units by a founding member, the transferee shall not have the rights and powers of a founding member (such as the right to designate directors for nomination), unless the transferee is an entity that is affiliated with the founding member or that is controlled by certain owners of the founding member.

Common Unit Redemption Right. The third restated LLC agreement provides a redemption right of the members to exchange common membership units of NCM LLC for our shares of common stock on a one-for-one basis (as adjusted to account for stock splits, recapitalization or similar events), or at our option, a cash payment equal to the market price of one share of our common stock. If we determine to make a cash payment, the member has the option to rescind its redemption request within the specified time period. In the event of a determination to make a cash payment, we are obligated to sell to a third party a number of shares equal to the number of redeemed units, to ensure that the number of NCM LLC common units we own equals the number of our outstanding shares of common stock. Upon the exercise of the redemption right, the redeeming member will surrender common units to NCM LLC for cancellation. Pursuant to our amended and restated certificate of incorporation, we will then contribute cash or shares of our common stock to NCM LLC in exchange for an amount of newly issued common units equal to the number of units surrendered by the redeeming member. NCM LLC will then distribute the cash or shares of common stock to the redeeming member to complete the redemption.

Recapitalization and Preferred Unit Redemption Right. The third restated LLC agreement recapitalizes the Class A membership units in NCM LLC into preferred units and common units. The preferred units are entitled to a distribution of certain net proceeds of a new term loan of $725 million that is a part of our senior secured credit facility, as described under "Financing Transaction" and, to the extent that the net proceeds from this offering exceed $686.3 million, (the amount NCM LLC will pay to the founding members for their agreeing to modify our payment obligations under our exhibitor services agreements) any such excess proceeds. Upon payment of such amount, each preferred unit will be cancelled and the holders of the preferred units shall cease to have any rights as a member of NCM LLC with respect to the preferred units.

Issuance of Units upon Exercise of Options or Vesting of Other Equity Compensation. Upon the exercise of options we have issued or the vesting of shares for other types of equity compensation (such as issuance of restricted or non-restricted stock, payment of bonuses in stock or settlement of stock appreciation rights in stock), we will have the right to acquire from NCM LLC a number of common units equal to the number of our shares being issued in connection with the exercise of options or vesting of shares for other types of equity compensation. In consideration for such units, we will contribute to NCM LLC the consideration we received for the exercise of options or vesting of shares for other types of equity compensation.

Dissolution. The third restated LLC agreement will provide that the unanimous consent of all members holding common units will be required to voluntarily dissolve NCM LLC. In addition to a voluntary dissolution, NCM LLC will be dissolved upon the entry of a decree of judicial dissolution in accordance with Delaware law. Upon a dissolution event, the proceeds of liquidation will be distributed in the following order:

- first, to pay the expenses of winding up and dissolving NCM LLC;
- second, to pay debts and liabilities owed to creditors of NCM LLC, other than members;
- third, to pay debts and liabilities owed to members; and
- fourth, to the members pro rata in accordance with their percentage interests.

Confidentiality. Each member will agree to maintain the confidentiality of the NCM LLC's intellectual property and other confidential information for a period of three years following the date of dissolution of NCM LLC or such earlier date as such member ceases to be a member. This obligation covers information provided to NCM LLC by the members and their affiliates, and excludes disclosures required by law or judicial process.

Amendment. The third restated LLC agreement may be amended by a vote of the members holding a majority of the outstanding common membership units plus each founding member. Amendments to specified provisions require the additional consent of us as manager. No amendment that would materially impair the voting power or economic rights of any outstanding common units in relation to any other outstanding class of units may be made without the consent of a majority of the affected units. No amendment that would materially impair the voting power or economic rights of any member in relation to the other members may be made without the consent of the affected member.

Indemnification. The third restated LLC agreement provides for indemnification of the manager, members and officers of NCM LLC and their respective subsidiaries or affiliates, as described in more detail under "Management—Limitation of Liability and Indemnification of Directors and Officers."

Unit Purchase Agreement

We intend to enter into a unit purchase agreement with our founding members. Under the unit purchase agreement, our founding members will agree to sell to us, and we will agree to buy from our founding members on a pro rata basis, up to 4,000,000 common membership units of NCM LLC, which represents approximately 4.3% of the common units of NCM LLC. The per unit price that we will pay for the common units will be equal to the per share purchase price that our common stock is sold to the public pursuant to this offering less underwriting discounts and commissions and offering expenses.

Common Unit Adjustment Agreement

In connection with the completion of this offering, we and the founding members will enter into a common unit adjustment agreement, which will provide a mechanism for adjusting membership units held by the founding members, based on increases or decreases in the number of screens operated by each founding member. Increases in the number of screens are included in the unit adjustment if arising from acquisition of a theatre or opening of a newly constructed theatre, except that acquired theatres subject to an agreement with an alternative cinema

advertising provider will not be included until certain run out payments are made to NCM LLC by the founding member acquiring the theatre pursuant to its exhibitor services agreement or until such third party cinema advertising agreement expires. Decreases in the number of screens are included in the unit adjustment if arising from disposition of a theatre, unless the purchaser or sublessee enters into an agreement with NCM LLC similar to the exhibitor services agreement, the theatre is closed at the end of its lease term or a non-digitized theatre is closed within three years of the end of its lease term.

The adjustment of membership units pursuant to the common unit adjustment agreement will be conducted annually, except that an earlier adjustment will occur for a founding member if its acquisition or disposition of theatres, in a single transaction or cumulatively since the most recent adjustment, will cause a change of two percent or more in the total annual attendance of all founding members. The adjustment will generally be calculated by multiplying a founding member's change in annual attendance from any acquisitions and dispositions during the relevant period by NCM LLC's enterprise value per attendee (as defined in the common unit adjustment agreement), and dividing this product by the sixty-day volume-weighted share price of our common stock. The changes in annual attendance will be calculated based on attendance at the relevant theatres during the prior twelve fiscal months; however, if an acquired theatre has not been operating during the twelve prior fiscal months, the change in annual attendance will be calculated based on 75% of the projected annual attendance for such theatre, with a subsequent adjustment made for any difference between 75% of the projected attendance and the actual attendance during the first twelve months of operation. Additionally, in the calculations for adjustment upon acquisition or disposition, only one-half of the attendance will be counted for theatres that are not digitized. If an acquired theatre that is not digitized is subsequently converted to a digitized theatre, the founding member will then be credited with half of that theatre's attendance.

Tax Receivable Agreement

The following transactions are expected to have the effect of reducing the amounts NCM Inc. would otherwise pay in the future to various tax authorities as a result of increasing its proportionate share of tax basis in NCM LLC's tangible and intangible assets:

- As described in "Use of Proceeds," NCM LLC's payment of $686.3 million to the founding members for their agreeing to modify NCM LLC's payment obligations under the exhibitor services agreements.
- As described in "Use of Proceeds," NCM LLC's use of $698.5 million of the proceeds obtained from a term loan that is a part of NCM LLC's new senior secured credit facility to redeem all the preferred membership units in NCM LLC held by the founding members.
- As described in "Certain Relationships and Related Party Transactions—Transactions with Founding Members—Common Unit Adjustment Agreement," the issuance of additional common membership units in NCM LLC to a founding member in the event of net positive increase in the number of screens operated by the founding member.
- As described in "Certain Relationships and Related Party Transactions—Transactions with Founding Members—NCM LLC Operating Agreement—Common Unit Redemption Right," the receipt of shares of common stock in NCM Inc. or cash at NCM Inc.'s election by a founding member in connection with an exercise of its right to redeem common membership units in NCM LLC held by the founding member.

In connection with the transactions described above, we intend to enter into a tax receivable agreement with the founding members that will provide for NCM Inc.'s effective payment to the founding members of 90% of the amount of cash savings, if any, in U.S. federal, state, and local income tax or franchise tax that NCM Inc. actually realizes as a result of its expected proportionate increases in tax basis, including increases attributable to payments made under the tax receivable agreement. These tax benefit payments are not conditioned upon one or more of the founding members maintaining a continued ownership interest in either NCM LLC or NCM Inc. NCM Inc. expects to benefit from the remaining 10% of cash savings, if any, that it may actually realize.

Initially, any amounts that may be paid to the founding members under the tax receivable agreement will be attributable to the first and second transactions described above and such amounts will generally be allocated in accordance with each founding member's proportionate common membership interest in NCM LLC. Over time, any amounts that may be paid to the founding members under the tax receivable agreement may be attributable to a combination of one or more of the transactions described above, and the allocation of such amounts will depend on whether and to what extent any founding member has participated in either the third or fourth transaction described above, or possibly both such transactions.

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 LLC'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 offering. The term of the tax receivable agreement will commence upon consummation of the offering and generally will continue until any utilized benefits are no longer subject to potential audit or examination by a taxing authority. The term of the tax receivable agreement may, however, be terminated at an earlier date in the event that NCM Inc. exercises its right to terminate the agreement pursuant to an early termination procedure that requires NCM Inc. to pay the founding members an agreed upon amount equal to the present value of the estimated remaining payments to be made under the agreement.

Although the actual timing and amount of any payments that may be made under the tax receivable agreement will vary depending upon a number of factors (including the timing of any redemptions of common membership units in NCM LLC by our founding members, the extent to which such redemptions are taxable, the trading price of shares of NCM Inc. common stock at the time of any such redemptions, and the amount and timing of our income), we expect that the payments that NCM Inc. may effectively make to the founding members could be substantial. If the Internal Revenue Service or other taxing authority were to subsequently challenge any of NCM Inc.'s cash savings covered by the tax receivable agreement, and if such challenge were ultimately upheld, the terms of the agreement require the founding members to repay to NCM Inc. an amount equal to the prior payments effectively made by NCM Inc. in respect of such disallowed cash savings, plus a proportionate share of any applicable interest and penalties. In such an event, and if a founding member is unable to make a timely repayment to NCM Inc. under the terms of the tax receivable agreement, NCM Inc. will have the ability to cause NCM LLC to offset against payments owed to the founding member. The repayment obligation is a several liability of each founding member and not a joint liability among the founding members.

If we receive a formal notice or assessment from a taxing authority with respect to any cash savings covered by the tax receivable agreement, we will place any subsequent tax benefit payments that would otherwise be made to the founding members into an interest-bearing escrow account until there is a final determination. We shall have full responsibility for, and sole discretion over, all NCM Inc. tax matters, including the filing and amendment of all tax returns and claims for refunds and the defense of all tax contests, subject to certain participation and approval rights held by the founding members. If one or more of the founding members was insolvent or bankrupt or otherwise unable to make payment under its repayment obligation, then our financial condition could be materially impaired.

Loews Screen Integration Agreement

The Loews screen integration agreement commits AMC to cause the theatres it acquired from Loews to participate in the exhibitor services agreement. In connection with this agreement, effective as of January 5, 2007, NCM LLC re-allocated the common membership units in NCM LLC among the founding members to reflect the payments to be made by AMC pursuant to the agreement. The number of common membership units allocated to AMC was calculated by multiplying the total number of NCM LLC common membership units outstanding by a ratio of theatre screens and patrons at Loews theatres compared to the total number of theatre screens and patrons at all founding members' theatres. These U.S.-based Loews screens will become part of our

national advertising network on an exclusive basis beginning on June 1, 2008, following the expiration of Loews' pre-existing contract with another cinema advertising provider. The Loews theatres will be subject to the following: (i) during the period beginning on June 1, 2008 through November 30, 2008, the run-out of on-screen advertising and entertainment content and (ii) during the period beginning on December 1, 2008 through February 28, 2009, the right of the prior advertising provider to up to one minute of advertising inventory during the pre-feature show, in each case, for pre-existing contractual obligations that exist on May 31, 2008. In accordance with the restated Loews screen integration agreement, AMC will pay us an amount that approximates the EBITDA we would have generated if we were able to sell advertising in the Loews theatre chain on an exclusive basis. These payments will be made on a quarterly basis in arrears until May 31, 2008 and will be, for accounting purposes, recorded directly to our members' equity accounts and will not be reflected in NCM LLC's statement of operations. Additionally, AMC will pay to NCM LLC amounts received from the other cinema advertising provider during the run-out periods from June 1, 2008 through February 28, 2009.

Software License Agreement

Agreement in Effect Before the Completion of the Offering. In connection with the initial formation of NCM LLC on March 29, 2005, AMC, Regal and NCM LLC entered into a software license agreement, pursuant to which AMC and Regal licensed to NCM LLC certain software and intellectual property rights, all of which relate to NCM LLC's delivery of on-screen content. This agreement was amended and restated on July 15, 2005, to reflect Cinemark's participation as a founding member. We are negotiating a further amendment and restatement of the license agreement with the founding members.

Agreement in Effect After the Completion of the Offering. Certain basic terms of the proposed amended and restated license agreement are discussed below:

License to NCM LLC. Pursuant to the license agreement, AMC and Regal grant NCM LLC a perpetual, royalty free license to the technology specified in the license agreement, for use in the United States with respect to the services provided under the exhibitor services agreements. Subject to certain exceptions, the license to NCM LLC is exclusive with respect to the services provided under the exhibitor services agreements. NCM LLC may sublicense the object code of the licensed technology to exhibitors of the services (as specified in the exhibitor services agreements), to the extent necessary for those exhibitors to receive the services. Regal and AMC also grant NCM LLC a perpetual, royalty free license to the source code of the licensed technology for use in the United States. NCM LLC must keep the source code of the technology confidential.

License by NCM LLC. NCM LLC grants the founding members, subject to certain limitations, a perpetual, worldwide, royalty free license to any existing NCM LLC developments based on licensed technology, for the founding members' purposes outside of the services that are defined in the exhibitor services agreements. NCM LLC also grants the founding members, through a new digital cinema joint venture, subject to certain limitations, a perpetual, worldwide, royalty free license to any NCM LLC developments useful for digital cinema applications. The founding members each grant to NCM LLC, subject to certain limitations, a perpetual, royalty free license to any developments of such party based on the licensed technology that has application to the services provided under the exhibitor services agreement.

Ownership. Subject to certain exceptions, NCM LLC will retain ownership of any of its developments based on the licensed technology. Subject to the rights granted to NCM LLC under the license agreement, the founding members each retain ownership of the licensed technology and developments by the founding members based on the licensed technology.

Exhibitor Services Agreement Termination by Founding Members. Under the license agreement, if an exhibitor services agreement with NCM LLC is terminated, that founding member will continue to have the right to use the licensed technology for the purposes specified in the license agreement.

Director Designation Agreement

Designation Rights. Pursuant to a director designation agreement, so long as a founding member owns at least 5% of NCM LLC's issued and outstanding common membership units, such founding member will have the right to designate a total of two nominees to our ten-member board of directors who will be voted upon by our stockholders. If, at any time, any founding member owns less than 5% of NCM LLC's then issued and outstanding common membership units, then such founding member shall cease to have any rights of designation. The remaining directors will be selected for nomination by our nominating committee. For purposes of calculating the 5% ownership thresholds discussed above, shares of our common stock held by a founding member and received upon redemption of NCM LLC common membership units will be counted toward the threshold, but common membership units issued to NCM Inc. in connection with the redemption of common membership units by a founding member will be excluded, so long as such founding member continues to hold the common stock acquired through such redemption or such founding member has disposed of such shares of common stock to another founding member. Shares of our common stock otherwise acquired by the founding members will also be excluded, unless such shares of common stock were transferred by one founding member to another and were originally received by the transferring founding member upon redemption of NCM LLC common membership units. NCM LLC common membership units held by permitted transferees of a founding member will be combined with units held by the founding member for purposes of determining whether the 5% threshold has been met, and the founding member and its permitted transferees may exercise their designation rights jointly. Permitted transferees include affiliates of the founding member and entities that are owned more than 50% by the same entity or entities that ultimately control the founding member.

Independent Directors. The director designation agreement further provides that for so long as any founding member has the right to designate the director designees, at least one of the designees of such founding member must qualify as an "independent director" at the time of designation so that a majority of the members of the board will be independent directors. An "independent director" under the director designation agreement is a director who qualifies as an "independent director" of NCM Inc. under Nasdaq rules.

Company Obligations. We have agreed to use our best efforts to assure that each director designee is included in the board's slate of nominees submitted to our stockholders for election of directors and in the proxy statement prepared by management in connection with soliciting proxies for every meeting of our stockholders called with respect to the election of members of the board. We shall not be obligated to cause to be nominated for election to the board or recommend to our stockholders the election of any director designee (i) who fails to submit to us on a timely basis such questionnaires as we may reasonably require of our directors generally and such other information as we may reasonably request in connection with preparation of our filings under securities laws or (ii) if the board of directors or nominating committee determines in good faith, after consultation with outside legal counsel, that such action would result in a breach of the directors' fiduciary duties or applicable law. In the event such determination is made, the founding members shall be notified and given the opportunity to provide an alternative director designee.

At any time a vacancy occurs because of the death, disability, resignation or removal of a director designee, then the board, or any committee thereof, will not vote, fill such vacancy or take any action enumerated under "Description of Capital Stock—Special Approval Rights for Certain Matters" until such time that (i) such

founding member has designated a successor director designee and the board has filled the vacancy and appointed such successor director designee, (ii) such founding member fails to designate a successor director designee within 10 business days of such vacancy, or (iii) such founding member has specifically waived its rights to designate a successor director designee under the director designation agreement and has consented to the board, or any committee thereof, taking a vote on such enumerated actions prior to the board filling the vacancy with a successor director designee.

At any time that any founding member shall have any rights of designation under the director designation agreement, NCM Inc. will not take any action to change the size of our board from ten.

Assignment; Amendment. The right of each founding member to designate nominees for election to our board of directors is personal and may not be assigned except upon the prior written consent of the other parties to the agreement. No prior written consent shall be required for an assignment by any founding member to an affiliate who acquires common membership units and becomes a party to the director designation agreement. Such assignee's rights will cease at such time as it ceases to be an affiliate of a founding member. The director designation agreement may not be amended except with the written consent of each of the parties to the agreement.

Registration Rights Agreement

In connection with the completion of this offering, we and the founding members will enter into a registration rights agreement, which will become effective upon the completion of this offering. The registration rights agreement provides a founding member the right to demand that we use reasonable best efforts to effect, during the period from the 90 days prior to the expiration of the underwriter lock-up period until the one-year anniversary of the effectiveness of this offering, a registration statement for resale of registrable securities that are held by the founding member. Registrable securities subject to the registration rights agreement are shares of our common stock and any other securities issued or issuable with respect to or in exchange for such shares. The registration rights agreement also grants the founding members "piggyback" registration rights with respect to other registrations of our common stock effected during the period from the expiration of the underwriter lock-up period until the one-year anniversary of the effectiveness of this offering.

On the first business day after the one-year anniversary of the effectiveness of this offering, the registration rights agreement requires us to file a registration statement to register all registrable securities held by the founding members that are not already registered at that time, and to file resale registration statements after that time for any additional registrable securities that we issue to any founding member, within 20 days after such issuance. Additionally, we must use reasonable best efforts to maintain effectiveness of these mandatory registration statements until the earlier of the time when the founding members have disposed of all their registrable securities and the time when all registrable securities held by the founding members are eligible for resale under specified securities regulations. We are responsible for the expenses in connection with the registration of securities pursuant to the registration rights agreement.

Joint Defense Agreement

AMC and Regal, among others, entered into a joint defense and common interest agreement, dated August 16, 2004, which was supplemented by a joint defense and common interest agreement, dated July 13, 2005, by and among counsel for AMC, Regal and Cinemark. The joint defense agreement sets forth the terms and conditions under which the parties will cooperate and share information in order to advance their shared interests in owning and operating NCM LLC. In connection with the completion of the offering, counsel for NCM LLC and the founding members executed an amendment to the joint defense agreement, whereby NCM LLC was added as a party, and this offering was added to the range of transactions covered by the agreement.

Digital Cinema Letter Agreement

NCM LLC entered into a letter agreement on December 1, 2005 with the founding members to enable it to explore the possibility of implementing digital cinema in their theatres. We have entered into an engagement with J.P. Morgan Securities Inc. and a consulting contract with Travis Reid, former Loews Cineplex Entertainment President and CEO, who is leading the effort to create a business plan and financing model for digital cinema with the major motion picture studios.

We expect that our consulting agreement with Mr. Reid and engagement letter with J.P. Morgan Securities will be assigned to a new entity to be formed and owned by our founding members.

Under the J.P. Morgan Securities Inc. engagement letter, which is dated July 6, 2006, J.P. Morgan Securities Inc. will assist with the review of the business plan for digital cinema and with identifying and evaluating financing and capital structure alternatives. J.P. Morgan Securities Inc. also will have rights to participate in future transactions involving this newly formed entity for a specified period of time.

We are discussing with our founding members what role, if any, we will have in providing services to this new entity, either on a transitional or an ongoing basis. The terms of any such services will be subject to the approval of our audit committee, or another committee comprised entirely of independent members of our board.

Founding Member Line of Credit

On March 29, 2005, NCM LLC entered into an amended and restated demand promissory note, or the demand note, with the founding members. The demand note permitted NCM LLC to borrow up to $11.0 million on a revolving basis, with borrowings funded by the founding members on a pro rata basis. Interest was payable monthly at 200 basis points over LIBOR. The demand note had a final maturity date of the earliest of March 31, 2007; the tenth day after a unanimous demand for payment by all founding members; or an event of default as defined in the demand note.

As of December 29, 2005, outstanding borrowings under the demand note were $1.3 million, and the interest rate was 6.34%. NCM LLC paid less than $0.1 million in interest to the founding members in 2005. On March 26, 2006, NCM LLC repaid all borrowings under the demand note in full using the proceeds of a borrowing under a new line of credit with an unaffiliated lender, and the demand note was cancelled.

Contribution Agreements and Related Agreements

AMC and Regal Contribution Agreement. In connection with the initial formation of NCM LLC on March 29, 2005, AMC, Regal and NCM LLC entered into a contribution and unit holders agreement, pursuant to which the two founding members contributed assets to NCM LLC in exchange for the issuance of Class A membership units. AMC contributed $4,338,409 in assets in exchange for 370 Class A membership units, and Regal contributed $7,387,021 in cash and assets in exchange for 630 Class A membership units. The contribution and unit holders agreement also established that AMC and Regal would make available working capital for a revolving loan, in an aggregate amount up to $11,000,000, which loan would be funded ratably by percentage of Class A membership units held.

In connection with the contribution and unit holders agreement and the formation of NCM LLC, Regal, AMC and NCM LLC entered into a transition services agreement on March 29, 2005, effective as of April 1, 2005. The transition services agreement, which expired on its terms on December 31, 2005, identified services (such as information technology, network and administrative support) to be provided by AMC and Regal to NCM LLC and by NCM LLC to Regal and the fees for such services, to support the initial operations of NCM LLC and the separation of the digital content network from Regal. The transition services agreement also provided the terms pursuant to which AMC and Regal loaned certain employees to NCM LLC. Additionally, Regal, AMC and NCM entered into a bill of sale and assignment and assumption agreement on March 29, 2005, which gave effect to the transfer of assets contemplated by the contribution and unit holders agreement.

Cinemark Contribution Agreement. In connection with Cinemark's entry as a founding member of NCM LLC, Cinemark and NCM LLC entered into a contribution agreement as of July 15, 2005, pursuant to which Cinemark contributed $7,328,662 cash and received 261 Class A membership units. Pursuant to this contribution agreement, Cinemark's cash contribution was used to pay the then-outstanding amounts loaned by AMC and Regal to NCM LLC. This contribution agreement modified the revolving loan provision of the contribution and unit holders agreement, so that AMC, Cinemark and Regal would ratably (based on Class A membership units held) fund up to $11,000,000 of an amended and restated demand note for NCM LLC borrowings. As discussed below under "—Founding Member Line of Credit," this note was cancelled upon NCM LLC's entry into its existing credit facility.

Agreement with Network LIVE

On May 2, 2006, NCM LLC entered into a term sheet with Casbah Productions, LLC d/b/a Network LIVE, pursuant to which Network Live will provide captured artist performances for distribution across the digital content network, for a term of 24 months. The term sheet contemplates between 12 and 48 events per year, which will be promoted through *FirstLook*, the lobby entertainment network, poster case and website advertising. Revenue from the events will be split among the theatre operator, Network LIVE and NCM LLC. During the term of the term sheet, Network LIVE will be the premium provider of content for NCM LLC theatres and thus NCM LLC will notify Network LIVE before directly negotiating with artists.

Network LIVE was a privately held joint venture of Anschutz Entertainment Group, Inc., XM Satellite Radio, Inc. and AOL, LLC. Anschutz Entertainment Group is a wholly-owned subsidiary of The Anschutz Corporation. The Anschutz Corporation is a wholly-owned subsidiary of the Anschutz Company. The Anschutz Company is the controlling stockholder of Regal Entertainment Group.

In fall 2006, Network LIVE dissolved and NCM LLC began working with Control Room, which has taken over production of the content formerly produced by Network LIVE. Control Room is not our affiliate.

Agreement with Hughes Network

On July 3, 2002, RCM entered into an equipment and services agreement with Hughes Network Systems, Inc. Pursuant to the equipment and services agreement, Hughes agreed to provide certain satellite communication services, equipment and software, for a term of 36 months. See "Business—Technology" above for a more detailed description of the Hughes technology. On July 2, 2005, NCM LLC and Hughes Network Systems, L.L.C. (formerly Hughes Network Systems, Inc.) entered into an amendment to the equipment and services agreement, pursuant to which, among other things, the term of the agreement was extended for an additional 24 months. For the nine months ended December 29, 2005 and the nine months ended September 28, 2006, the aggregate amount payable to Hughes was approximately $951,000 and $978,000, respectively.

Hughes Network Systems, LLC is a wholly-owned subsidiary of Hughes Communications Inc. As of April 12, 2006, Apollo Investment Fund IV, LP owned 66.2% of Hughes Communications Inc. As of May 26, 2006, Apollo Investment Fund V, LP owned 20.78% of AMC Entertainment Group. Apollo Investment Fund, IV, LP and Apollo Investment Fund V, LP are under common control through the ownership of their respective general partners and managers.

Agreement with The Anschutz Corporation

NCM LLC has an informal agreement with The Anschutz Corporation to use, on occasion, two private aircraft owned by The Anschutz Corporation. The private aircraft are used to travel to cities where regularly scheduled flights require significant time or expense. The aircraft are leased on a per hour basis at rates that we believe are at or below market rates.

The Anschutz Corporation is a wholly-owned subsidiary of the Anschutz Company. The Anschutz Company is the controlling stockholder of Regal Entertainment Group. For the nine months ended December 29, 2005 and the nine months ended September 28, 2006, the aggregate amounts paid to The Anschutz Corporation for use of the aircraft were approximately $54,000 and $43,000, respectively.

Agreements with Founding Members—Subleases

Chicago Regional Office. On December 5, 2005, NCM LLC entered into a sublease agreement with RCM pursuant to which NCM LLC subleases its regional office in Chicago, Illinois. Both the sublease and the lease expire on July 31, 2009. Pursuant to the sublease, NCM LLC pays rent in an amount equal to that which would have been paid by RCM under the terms of its lease. The amounts paid to the landlord for the nine months ended December 29, 2005 and the nine months ended September 28, 2006, were, in aggregate, approximately $31,000 and $35,000, respectively.

New York Regional Office. On January 27, 2006, NCM LLC entered into a sublease agreement with RCM pursuant to which NCM LLC subleases its regional office in New York, New York. Both the sublease and the lease expire on April 30, 2010. Pursuant to the sublease, NCM LLC pays rent to RCM in an amount equal to that which would have been paid by RCM under the terms of its lease. The amounts paid to RCM for the nine months ended December 29, 2005 and the nine months ended September 28, 2006, were, in aggregate, approximately $258,000 and $310,000, respectively.

Woodland Hills Regional Office. On March 22, 2005, RCM assigned its interests in a sublease from Regal to NCM LLC for its regional office in Woodland Hills, California. The lease and sublease expired on July 31, 2006. Pursuant to the sublease, NCM LLC paid rent to Regal in an amount equal to that which would have been paid by Regal under the terms of its lease. The amounts paid to Regal for the nine months ended December 29, 2005 and the nine months ended September 28, 2006 were, in aggregate, approximately $46,000 and $40,000, respectively. NCM LLC moved to different office space in Woodland Hills, described immediately below, during May 2006.

NCM LLC entered into a sublease agreement with AMC pursuant to which NCM LLC subleases its regional office in Woodland Hills, California. The lease expires on May 31, 2007. The sublease expires on May 30, 2007. Pursuant to the sublease, NCM LLC pays rent to AMC in an amount equal to that which would have been paid by AMC under the terms of its lease. The amount paid to AMC for the nine months ended September 28, 2006, was, in aggregate, approximately $41,000.

Transactions with NCM LLC

Common Unit Subscription Agreement

We intend to enter into a common unit subscription agreement with NCM LLC. Subject to the satisfaction of certain conditions described below, under the common unit subscription agreement, NCM LLC will agree to issue and sell to us, and we will agree to buy from NCM LLC, 38,000,000 common units of NCM LLC, which represents approximately 40.5% of common units of NCM LLC. The per unit purchase price we will pay for the common units will be equal to the per share purchase price that our common stock is sold to the public pursuant to this offering less underwriting discounts and commissions and offering expenses.

Until the consummation of the sale of the common units of NCM LLC pursuant to the common unit subscription agreement, NCM LLC will agree to:

- conduct the business of NCM LLC, in the ordinary course consistent with past practice,
- use all commercially reasonable efforts to (A) retain the services of its key employees, (B) preserve NCM LLC's relationships with material customers, suppliers, sponsors, licensors and creditors, and (C) maintain and keep NCM LLC's properties and assets in as good repair and condition as at present, ordinary wear and tear excepted, and

- maintain its capital structure as it existed on the date of the common unit subscription agreement and refrain from making any distributions to the founding members or their affiliates, or make any direct or indirect redemption, retirement, purchase or other acquisition of any membership interests in NCM LLC of any nature.

In addition to other customary closing conditions, the sale of the common units of NCM LLC will be conditioned upon our entry into an underwriting agreement with the managing underwriters for this offering, the completion of the recapitalization of NCM LLC as described in this prospectus, and the absence of any order, decree or judgment of any court or other governmental authority that makes the sale of the common units of NCM LLC to us illegal or invalid. The common unit subscription agreement will automatically be terminated if the closing conditions are not satisfied or waived on or before a specified date or if the registration statement relating to this offering is withdrawn for any reason prior to such date.

Management Services Agreement

We intend to enter into a management services agreement with NCM LLC pursuant to which we will agree to provide certain specific management services to NCM LLC, including those services typically provided by the individuals serving in the positions of president and chief executive officer, president of sales and chief marketing officer, executive vice president and chief financial officer, executive vice president and chief technology and operations officer and executive vice president and general counsel. In exchange for the services, NCM LLC will reimburse us for compensation and other expenses of our officers and employees and for certain out-of-pocket costs. NCM LLC will also provide administrative and support services to us, such as office facilities, equipment, supplies, payroll and accounting and financial reporting. The management services agreement also provides that our employees may participate in NCM LLC's benefit plans, and that NCM LLC employees may participate in our equity incentive plan. NCM LLC will indemnify NCM Inc. for any losses arising from NCM Inc.'s performance under the management services agreement, except that NCM Inc. will indemnify NCM LLC for any losses caused by NCM Inc.'s willful misconduct or gross negligence.

Option Substitution Agreement

We intend to provide option substitution agreements to holders of outstanding options of NCM LLC to cancel each NCM LLC option and substitute the option with an option to purchase common stock of NCM Inc. See "Management—Equity Incentive Plan—Substitution of NCM LLC Options and Restricted Units" above for additional discussion of the option substitution.

Restricted Stock Agreement

We intend to provide restricted stock agreements to holders of restricted units of NCM LLC to cancel each NCM LLC restricted unit and substitute the restricted unit with a share of restricted common stock of NCM Inc. See "Management—Equity Incentive Plan—Substitution of NCM LLC Options and Restricted Units" above for additional discussion of the restricted stock substitution.

PRINCIPAL STOCKHOLDERS

The following table presents information concerning the beneficial ownership of the shares of our common stock as of January 10, 2007, giving effect to the completion of this offering and the reorganization, and assuming the redemption of all of the outstanding NCM LLC common membership units in exchange for, our common stock, by:

- each person we know to be the beneficial owner of 5% of more of our outstanding shares of common stock;
- each of our named executive officers;
- each of our directors and nominees for director; and
- all of our executive officers and directors as a group.

Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder. Percentage of beneficial ownership is based on 38,000,000 shares of common stock and 93,850,951 NCM LLC membership units outstanding after the completion of this offering. No shares of common stock subject to options are currently exercisable or exercisable within 60 days of January 10, 2007. Unless indicated below, the address of each individual listed below is 9110 E. Nichols Ave., Suite 200, Centennial, Colorado 80112-3405.

Beneficial Owner	Number of Shares of Common Stock Beneficially Owned(1)	Percentage of Shares of Common Stock Beneficially Owned
Five Percent Stockholders		
American Multi-Cinema, Inc.(2)	18,822,976	20.1%
Cinemark Media, Inc.(3)	14,159,437	15.1%
Madison Dearborn Capital Partners IV, L.P.(4)	14,159,437	15.1%
Regal CineMedia Holdings, LLC(5)	22,868,538	24.4%
The Anschutz Company(6)	22,868,538	24.4%
Philip F. Anschutz(6)	22,868,538	24.4%
Directors and Executive Officers		
Kurt C. Hall(7)	78,947	*
Clifford E. Marks	0	0%
Gary W. Ferrera	0	0%
Thomas C. Galley	0	0%
Ralph E. Hardy	0	0%
Peter C. Brown	0	0%
Michael L. Campbell	0	0%
Lee Roy Mitchell	0	0%
Lawrence A. Goodman	0	0%
David R. Haas	0	0%
James R. Holland, Jr.	0	0%
Stephen L. Lanning	0	0%
Edward H. Meyer	0	0%
Scott N. Schneider	0	0%
All directors, nominees for director and executive officers as a group (14 persons)	78,947	*

* Less than one percent.

(1) NCM LLC common membership units are redeemable at any time at the option of the holder. Upon any redemption, we may choose whether to redeem the units for shares of our common stock on a one-for-one basis or for a cash payment equal to the market price of shares of our common stock. If each member of NCM LLC chose to redeem all of its NCM LLC common membership units and we elected to issue shares of our common stock in redemption of all of the units, AMC would receive 18,822,976 shares of our common stock, Cinemark would receive 14,159,437 shares of our common stock and Regal would receive 22,868,538 shares of our common stock. These share amounts would represent 20.1%, 15.1% and 24.4%, respectively, of our outstanding common stock immediately following this offering.

(2) The address of this stockholder is 920 Main Street, Kansas City, Missouri 64105.

(3) The address of this stockholder is 3900 Dallas Parkway, Suite 500, Plano, Texas 75093.

(4) The address of this stockholder is Three First National Plaza, Suite 3800, Chicago, Illinois 60602. Represents beneficial ownership as of February 28, 2006 based on the Annual Report on Form 10-K filed by Cinemark, Inc. on March 28, 2006.

(5) The address of this stockholder is 7132 Regal Lane, Knoxville, Tennessee 37918.

(6) The address of this stockholder is 555 Seventeenth Street, Suite 2400, Denver, Colorado 80202. Represents beneficial ownership as of March 31, 2006 based on the Definitive Proxy Statement on Schedule 14A filed by Regal Entertainment Group on April 14, 2006. All of the shares shown as beneficially owned by Mr. Anschutz are held by Anschutz Company, which is controlled by Mr. Anschutz and shares voting and dispositive power with Mr. Anschutz.

(7) Kurt C. Hall, our President, Chief Executive Officer and Chairman has expressed an interest in purchasing common stock in the offering totaling approximately $1,500,000.

DESCRIPTION OF CAPITAL STOCK

Authorized Capital

The following description of material terms of our capital stock and certain provisions of our certificate of incorporation and bylaws, each of which will be in effect on the closing of this offering, are summaries and are qualified by reference to the certificate of incorporation and the bylaws, copies of which have been filed as exhibits to the registration statement, of which this prospectus forms a part.

Our authorized capital stock consists of:

- 120,000,000 shares of common stock, par value $.01 per share; and
- 10,000,000 shares of preferred stock, par value $.01 per share.

Common Stock

Upon the completion of this offering, there will be 38,000,000 shares of common stock issued and outstanding.

Voting Rights

Each holder of common stock will be entitled to one vote per share.

Our directors will be elected by all of our common stockholders voting together as a single class. The director designation agreement among the founding members will provide that each founding member will have the right to designate a total of two nominees to our ten-member board of directors who will be voted upon by our stockholders. Holders of shares of common stock will not be entitled to cumulate their votes in the election of directors.

Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of our outstanding voting power. Except as otherwise required by the DGCL, our certificate of incorporation or the voting rights granted to any preferred stock we subsequently issue, the holders of outstanding shares of common stock and preferred stock entitled to vote thereon, if any, will vote as one class with respect to all matters to be voted on by our stockholders. Except as otherwise provided by law, and subject to any voting rights granted to any preferred stock we subsequently issue, amendments to our certificate of incorporation must be approved by holders of at least a majority of the combined voting power of the outstanding common stock. Under the DGCL, amendments to our certificate of incorporation that would alter or change the powers, preferences or special rights of the common stock so as to affect them adversely also must be approved by a majority of the votes entitled to be cast by the holders of the shares affected by the amendment, voting as a separate class.

Dividends

Holders of common stock will share ratably (based on the number of shares of common stock held) in any dividend declared by our board of directors, subject to any preferential rights of any outstanding preferred stock.

Other Rights

Upon our liquidation, dissolution or winding up, after payment in full of the amounts required to be paid to holders of preferred stock, if any, all holders of common stock, regardless of class, will be entitled to share ratably in any assets available for distribution to holders of shares of common stock. No shares of any class of common stock are subject to redemption or have preemptive rights to purchase additional shares of common stock.

Preferred Stock

Upon completion of this offering, our board of directors will be authorized, without further stockholder approval, to issue from time to time up to an aggregate of 10 million shares of preferred stock in one or more series and to fix or alter the designations, preferences, rights and any qualifications, limitations or restrictions of the shares of each such series thereof, including the dividend rights, dividend rates, conversion rights, voting rights, terms of redemption (including sinking fund provisions), redemption price or prices, liquidation preferences and the number of shares constituting any series or designations of such series. Upon the closing of this offering, there will be no shares of preferred stock outstanding. We have no present plans to issue any shares of preferred stock. See "—Anti-Takeover Effects of Certain Provisions of Delaware Law, the Certificate of Incorporation and the Bylaws."

Options and Other Equity Awards

In connection with the completion of this offering, options previously granted by NCM LLC to its employees under the NCM LLC Unit Option Plan that remain outstanding as of the date of the completion of the offering will be substituted with options granted under our equity incentive plan. In addition, the NCM LLC plan provides that under certain conditions, option holders will receive an additional equity award of options or restricted units at the time of an initial public offering, which we refer to as the "IPO awards." We intend to enter into option substitution agreements with holders of outstanding options of NCM LLC to cancel each NCM LLC option and substitute the option with an option to purchase common stock of NCM Inc. We expect to issue options to purchase approximately 1,572,960 shares under our equity incentive plan in substitution for NCM LLC options and 352,661 shares of restricted stock in substitution for IPO awards in the form of restricted units previously granted under the NCM LLC Unit Option Plan to employees of NCM LLC. In addition, we plan to grant options to acquire 218,000 shares of our common stock to our employees, and 6,316 shares of restricted stock to our non-employee directors, upon the completion of this offering. Upon completion of this offering, options to purchase a total of 1,790,960 shares of common stock and 358,977 shares of restricted stock will be outstanding. See "Management—Equity Incentive Plan" and "Shares Eligible for Future Sale."

Anti-Takeover Effects of Certain Provisions of Delaware Law, the Certificate of Incorporation and the Bylaws

We have elected in our certificate of incorporation not to be subject to Section 203 of the DGCL, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the corporation's voting stock for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Accordingly, we will not be subject to any anti-takeover effects of Section 203.

Certain other provisions of the certificate of incorporation and bylaws may be considered to have an anti-takeover effect and may delay or prevent a tender offer or other corporate transaction that a stockholder might consider to be in its best interest, including those transactions that might result in payment of a premium over the market price for our shares. These provisions are designed to discourage certain types of transactions that may involve an actual or threatened change of control of us without prior approval of our board of directors. These provisions are meant to encourage persons interested in acquiring control of us to first consult with our board of directors to negotiate terms of a potential business combination or offer. We believe that these provisions protect against an unsolicited proposal for a takeover of us that might affect the long term value of our stock or that may be otherwise unfair to our stockholders. For example, our certificate of incorporation and bylaws:

- establish supermajority approval requirements by our directors before our board may take certain actions;
- authorize the issuance of "blank check" preferred stock that could be issued by our board of directors to increase the number of outstanding shares, making a takeover more difficult and expensive;
- establish a classified board of directors;

- allow removal of directors only for cause;
- prohibit stockholder action by written consent;
- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates; and
- provide that the founding members will be able to exercise a greater degree of influence over the operations of NCM LLC, which may discourage other nominations to our board of directors, if any director nominee designated by the founding member is not elected by our stockholders.

Classified Board of Directors

Our board of directors will be divided into three classes of directors serving staggered three-year terms, designated as Class I, Class II and Class III. The members of each class shall serve for a staggered three-year term, except that Class I directors in the initial term immediately following the offering will serve for one year and the Class II directors in the initial term immediately following the offering will serve for two years. Each director will be elected to serve until the election of the director's successor at an annual meeting of stockholders for the election of directors for the year in which the director's term expires or at a special meeting called for that purpose. As a result, approximately one third of our board of directors will be elected each year. Our board of directors will initially consist of ten directors and are to be elected by the holders of a plurality of the voting power of our outstanding common stock, voting together as a single class. Directors may be removed only for cause.

Special Approval Rights for Certain Matters

So long as a founding member beneficially owns at least 5% of NCM LLCs issued and outstanding common membership units, approval of at least 90% of the directors then in office (provided that if the board has less than ten directors, then the approval of at least 80% of the directors then in office) will be required before (i) NCM Inc. may take any of the following actions or (ii) NCM Inc., in its capacity as sole manager of NCM LLC, may authorize NCM LLC to take any of the following actions:

- assign, transfer, sell or pledge all or a portion of the membership units of NCM LLC beneficially owned by NCM Inc.;
- acquire, dispose, lease or license assets by NCM Inc. or NCM LLC or enter into a contract to do the foregoing, in a single transaction or in two or more transactions (related or unrelated) in any consecutive twelve-month period with an aggregate value (as determined in good faith by the board) exceeding 20% of the fair market value of the business of NCM LLC operating as a going concern (as determined in good faith by the board);
- merge, reorganize, recapitalize, reclassify, consolidate, dissolve, liquidate or enter into a similar transaction;
- incur any funded indebtedness (including the refinancing of any funded indebtedness) or repay before due any funded indebtedness (other than a working capital revolving line of credit) with a fixed term in either case, in a single transaction or in two or more transactions (related or unrelated) in an aggregate amount in excess of $15.0 million per year;
- issue, grant or sell shares of common stock or rights with respect to common stock, except in connection with NCM Inc.'s equity incentive compensation plans or any conversion or exchange of NCM LLC membership units in accordance with the NCM LLC operating agreement;
- issue, grant or sell any NCM Inc. preferred stock or rights with respect to preferred stock;
- authorize, issue, grant or sell additional NCM LLC membership units or rights with respect to membership units (except as otherwise permitted in the common unit adjustment agreement or NCM Inc.'s equity incentive compensation plans);

- amend, modify, restate or repeal any provision of NCM Inc.'s certificate of incorporation or bylaws or the NCM LLC operating agreement;
- enter into, modify or terminate certain contracts not in the ordinary course of business of the type specified in Item 601(b)(10)(i) of Regulation S-K;
- except as specifically set forth in the NCM LLC operating agreement, declare, set aside or pay any redemption of, or dividends with respect to, membership interests, payable in cash, property or otherwise;
- amend any material terms or provisions (as defined in the Nasdaq rules) of NCM Inc.'s equity incentive plan or enter into or consummate any new equity incentive compensation plan;
- make any change in the current business purpose of NCM Inc. to serve solely as the manager of NCM LLC or any change in the current business purpose of NCM LLC to provide the services as set forth in the exhibitor services agreements; and
- approve any actions relating to NCM LLC that could reasonably be expected to have a material adverse tax effect on the founding members.

For purposes of calculating the 5% ownership thresholds for the supermajority director approval rights discussed above, shares of our common stock held by a founding member and received upon redemption of NCM LLC common membership units will be counted toward the threshold. Common membership units issued to NCM Inc. in connection with the redemption of common membership units by a founding member will be excluded, so long as such founding member continues to hold the common stock acquired through such redemption or such founding member has disposed of such shares of common stock to another founding member. Shares of our common stock otherwise acquired by the founding members will also be excluded, unless such shares of common stock were transferred by one founding member to another and were originally received by the transferring founding member upon redemption of NCM LLC common membership units. NCM LLC common membership units held by permitted transferees of a founding member will be combined with units held by the founding member for purposes of determining whether the 5% threshold has been met, and the founding member and its permitted transferees may exercise their designation rights jointly. Permitted transferees include affiliates of the founding member and entities that are owned more than 50% by the same entity or entities that ultimately control the founding member.

Special Approval Right of Directors

In addition to approval by the audit committee which is required by Nasdaq rules, (i) any modification or amendment of an exhibitor services agreement which could reasonably be expected (in the good faith determination of the board) to result in payments to or from NCM LLC in excess of $50,000, or (ii) entry into or amendment of any contract or transaction which could reasonably be expected (in the good faith determination of the board) to result in payments in excess of $50,000 between NCM LLC or NCM Inc., on the one hand, and a founding member or such founding member's affiliate, on the other hand, requires the approval of a majority of the directors then in office and a majority of the independent directors then in office.

Special Meeting of Stockholders

Special meetings of our stockholders may be called only by a majority of our directors.

Actions by Written Consent

Stockholder action can be taken only at an annual or special meeting of stockholders, and cannot be taken by written consent in lieu of a meeting.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice thereof in writing. To be timely, a stockholder's notice generally must be delivered to and received at our principal executive offices, not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, that in the event that the date of such meeting is advanced more than 30 days prior to, or delayed by more than 70 days after, the anniversary of the preceding year's annual meeting of our stockholders, a stockholder's notice to be timely must be so delivered not earlier than the close of business on the 120th day prior to such meeting and not later than the close of business on the later of the 90th day prior to such meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Our bylaws also specify certain requirements as to the form and content of a stockholder's notice. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.

Authorized But Unissued Shares

The authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Amendments to Certificate of Incorporation or Bylaws

The DGCL provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. The affirmative vote of the holders of at least 66-2/3% of our issued and outstanding common stock, voting as a single class, is required to amend or repeal our bylaws. The affirmative vote of the holders of at least a majority of our issued and outstanding common stock, in addition to the supermajority board approval described under "—Special Approval Rights for Certain Matters" above, is required to amend or repeal our certificate of incorporation. In addition, under the DGCL, an amendment to our certificate of incorporation that would alter or change the powers, preferences or special rights of the common stock so as to affect them adversely also must be approved by a majority of the votes entitled to be cast by the holders of the shares affected by the amendment, voting as a separate class. Subject to our bylaws, our board of directors may from time to time make, amend, supplement or repeal our bylaws by vote of a majority of our board of directors.

NCM LLC Common Membership Units

Upon completion of this offering, there will be 93,850,951 common membership units issued and outstanding, 22,868,538 of which will be beneficially owned by Regal, 18,822,976 of which will be beneficially owned by AMC, 14,159,437 of which will be beneficially owned by Cinemark, and 38,000,000 of which will be beneficially owned by us.[1] The number of outstanding common membership units owned by us will at all times equal the number of shares of our outstanding common stock. With respect to this offering and any future offering of common stock, the net cash proceeds we receive, including with regard to the exercise of options issued under our equity incentive plan, will be concurrently transferred to NCM LLC in exchange for common membership units equal in number to the number of shares of common stock we issued. Pursuant to the terms of our certificate of

[1] Excludes unvested restricted stock and shares underlying unvested stock options that will be granted by NCM Inc., which will result in an increase in the number of common membership units held by NCM Inc. upon vesting or exercise, respectively. A 10% increase in the number of shares of common stock sold would result in an increase of 2.3% in the percentage of NCM LLC membership units held by NCM Inc. and a corresponding reduction in the percentage held by the founding members.

incorporation and the third restated LLC agreement, if a member of NCM LLC, other than us, chooses to have common membership units redeemed, we may elect to issue cash or shares of our common stock on a one-for-one basis. See “Certain Relationships and Related Party Transactions—Transactions with Founding Members—LLC Operating Agreement” and “Corporate History and Reorganization.”

Registration Rights

In connection with the completion of this offering, we will enter into a registration rights agreement with the founding members. See “Certain Relationships and Related Party Transactions—Transactions with Founding Members—Registration Rights Agreement.”

Transfer Agent and Registrar

The transfer agent and registrar for the common stock is expected to be Computershare, New York, New York.

Listing

Our common stock has been approved for listing on the Nasdaq Global Market under the symbol “NCMI”. The NCM LLC common membership units will not be listed on any securities exchange.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot assure you that a significant public market for our common stock will develop or be sustained after this offering. Sales of significant amounts of our common stock in the public market after this offering, including shares of our common stock issued upon exercise of outstanding options or upon redemption of the NCM LLC common membership units in exchange for our common stock, or the perception that such sales could occur, could adversely affect the prevailing market price of our common stock and could impair our future ability to raise capital through the sale of our equity securities.

Sale of Restricted Shares and Lock-Up Agreements

Upon completion of this offering, 38,000,000 shares of common stock and 93,850,951 NCM LLC common membership units will be outstanding. If the underwriters' over-allotment option is exercised in full, there will be 42,000,000 shares of common stock, and 93,850,951 NCM LLC common membership units outstanding.

Of the 38,000,000 shares of common stock to be outstanding upon completion of this offering, 37,921,053 shares of common stock offered pursuant to this offering, or 41,921,053 shares if the underwriters' over-allotment option is exercised in full, will be freely tradable without restriction or further registration under federal securities laws except to the extent shares of common stock are purchased in this offering by our affiliates, as that term is defined in Rule 144 under the Securities Act.

All of NCM LLC's common membership units are "restricted securities" under the Securities Act. The 55,850,951 shares of common stock issuable on redemption of NCM LLC common membership units, are, or when issued on conversion or redemption will be, eligible for public sale if registered under the Securities Act or sold in accordance with Rule 144 of the Securities Act, subject to the contractual provisions of our agreements with our founding members. See "Certain Relationships and Related Party Transactions—Transactions with Founding Members—Registration Rights Agreement."

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act of 1933 relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse Securities (USA) LLC for a period of 180 days after the date of this prospectus.

Our officers and directors have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any of these transactions are to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC for a period of 180 days after the date of this prospectus. The founding members have agreed to the same restrictions for a period of 180 days after the date of this prospectus.

Rule 144

In general, Rule 144 allows a stockholder (or stockholders where shares are aggregated) who has beneficially owned shares of our common stock for at least one year (including the holding period of any prior owner other than an affiliate) and who files a Form 144 with the SEC to sell within any three-month period a number of those shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal 380,000 shares immediately after this offering; or

- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of the Form 144 with respect to such sale.

Sales under Rule 144 are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us. An "affiliate" is a person that directly, or indirectly, through one or more intermediate controls or is controlled by, or is under common control with us.

55,850,951 shares will be eligible for sale under Rule 144 one year from the date of the issuance of our common stock upon redemption of the NCM LLC common membership units or, if earlier, after the exchange or the resale of such shares of common stock is registered under the Securities Act.

Rule 144(k)

Under Rule 144(k), a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the 90 days preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years, would be entitled to sell those shares without regard to the manner of sale, public information, volume limitation or notice requirements of Rule 144.

To the extent that our affiliates sell their shares, other than pursuant to Rule 144 or a registration statement, the purchaser's holding period for the purpose of effecting a sale under Rule 144 commences on the date of transfer from the affiliate.

Registration Rights

Upon completion of this offering, the founding members will hold in the aggregate approximately 55,850,951 NCM LLC common membership units. As described above in "Certain Relationships and Related Party Transactions—Transactions with Founding Members—NCM LLC Operating Agreement—Common Unit Redemption Right," the founding members will have the right to redeem these common membership units in exchange for, at our option, our common stock on a one-for-one basis or a cash payment equal to the market price of one share of our common stock. Following such redemption, pursuant to the registration rights agreement described above in "Certain Relationships and Related Party Transactions—Transactions with Founding Members—Registration Rights Agreement," the founding members will have the right, subject to various conditions and limitations, to demand the filing of, and include such shares of our common stock in, registration statements relating to our common stock, subject to the 180-day lock-up arrangement described above. These registration rights of our stockholders could impair the prevailing market price and impair our ability to raise capital by depressing the price at which we could sell our common stock.

Options and Restricted Stock

In addition to the 38,000,000 shares of common stock outstanding immediately after this offering, there will be outstanding options to purchase 1,790,960 shares of our common stock and 358,977 outstanding shares of restricted common stock. We will substitute 352,661 shares of restricted stock for restricted units that will be granted to NCM LLC option holders as "IPO awards" and 1,572,960 options to acquire our common stock for options that were granted by NCM LLC throughout 2006 in connection with the completion of this offering. We also plan to grant options to acquire 218,000 shares of our common stock to our employees, and 6,316 shares of restricted stock to our non-employee directors, upon the completion of this offering. None of the options will be exercisable and none of the restricted stock will be vested at the completion of this offering.

As soon as practicable after the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act covering shares of our common stock reserved for issuance under our equity incentive plan. Accordingly, shares of our common stock registered under such registration statement will be available for sale in the open market upon exercise by the holders, subject to vesting restrictions, Rule 144 limitations applicable to our affiliates and the contractual lock-up provisions described above.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of the material U.S. federal income tax considerations generally applicable to beneficial owners of our common stock ("Holders") that acquire shares of our common stock pursuant to this offering and that hold such shares as capital assets (generally, for investment). This summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed Treasury regulations, Internal Revenue Service ("IRS") rulings and pronouncements and judicial decisions now in effect, all of which are subject to change, possibly on a retroactive basis, or differing interpretations. This summary does not consider specific facts and circumstances that may be relevant to a particular Holder's tax position and does not consider any tax laws other than U.S. federal income tax laws (for example, this summary does not consider any state, local, estate or gift, or non-U.S. tax consequences of an investment in our common stock). It also does not apply to Holders subject to special tax treatment under the U.S. federal income tax laws (including partnerships or other pass-through entities, banks, insurance companies, dealers in securities, persons who hold common stock as part of a "straddle," "hedge," "conversion transaction" or other risk-reduction or integrated transaction, controlled foreign corporations, passive foreign investment companies, foreign personal holding companies, companies that accumulate earnings to avoid U.S. federal income tax, U.S. Holders (as defined below) who do not have the U.S. dollar as their functional currency, tax-exempt organizations, former U.S. citizens or residents and persons who hold or receive common stock as compensation).

For purposes of this summary, the term "U.S. Holder" means a Holder of shares of our common stock that, for U.S. federal income tax purposes, is:

(i) an individual who is a citizen or resident of the United States;

(ii) a corporation or other entity taxable as a corporation created in or organized under the laws of the United States, any state thereof or the District of Columbia;

(iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

(iv) a trust (x) if a court within the United States is able to exercise primary supervision over the administration of such trust and one or more "U.S. persons," as defined in section 7701(a)(30) of the Code, have the authority to control all substantial decisions of such trust or (y) that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The term "Non-U.S. Holder" means any Holder of shares of our common stock that is neither a U.S. Holder nor a partnership (including an entity that is treated as a partnership for U.S. federal income tax purposes).

If a partnership holds shares of our common stock, the U.S. federal income tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partners of partnerships that hold shares of our common stock should consult their tax advisors.

This summary is included herein as general information only. Accordingly, each prospective Holder is urged to consult its tax advisor with respect to the U.S. federal, state, local and non-U.S. income and other tax consequences of holding and disposing of our common stock.

U.S. Holders

The following discussion summarizes the material U.S. federal income tax consequences of the ownership and disposition of our common stock applicable to "U.S. Holders," subject to the limitations described above.

Distributions

Distributions of cash or property that we pay in respect of our common stock will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits (as

determined under U.S. federal income tax principles) and will be includible in gross income by a U.S. Holder upon receipt. Any such dividend will be eligible for the dividends received deduction if received by an otherwise qualifying corporate U.S. Holder that meets the holding period and other requirements for the dividends received deduction. Dividends paid by us to certain non-corporate U.S. Holders (including individuals), with respect to taxable years beginning on or before December 31, 2010, are eligible for U.S. federal income taxation at the rates generally applicable to long-term capital gains for individuals (currently at a maximum tax rate of 15%), provided that the U.S. Holder receiving the dividend satisfies applicable holding period and other requirements. If the amount of a distribution exceeds our current and accumulated earnings and profits, such excess first will be treated as a tax-free return of capital to the extent of the U.S. Holder's tax basis in our common stock, and thereafter will be treated as capital gain.

Dispositions

Upon a sale, exchange or other taxable disposition of shares of our common stock, a U.S. Holder generally will recognize capital gain or loss equal to the difference between the amount realized on the sale, exchange or other taxable disposition and the U.S. Holder's adjusted tax basis in the shares of our common stock. Such capital gain or loss will be long-term capital gain or loss if the U.S. Holder has held the shares of the common stock for more than one year at the time of disposition. Long-term capital gains of certain non-corporate U.S. Holders (including individuals) are currently subject to U.S. federal income taxation at a maximum rate of 15%. The deductibility of capital losses is subject to limitations under the Code.

Information Reporting and Backup Withholding Requirements

In general, dividends on our common shares, and payments of the proceeds of a sale, exchange or other disposition of our common shares paid to a U.S. Holder are subject to information reporting and may be subject to backup withholding at a current maximum rate of 28% unless the U.S. Holder (i) is a corporation or other exempt recipient or (ii) provides an accurate taxpayer identification number and certifies that it is not subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder will be refunded or credited against the U.S. Holder's U.S. federal income tax liability, if any, provided that the required information is furnished to the IRS.

Non-U.S. Holders

The following discussion summarizes the material U.S. federal income tax consequences of the ownership and disposition of our common stock applicable to "Non-U.S. Holders," subject to the limitations described above.

U.S. Trade or Business Income

For purposes of this discussion, dividend income and gain on the sale, exchange or other taxable disposition of our common stock will be considered to be "U.S. trade or business income" if such income or gain is (i) effectively connected with the conduct by a Non-U.S. Holder of a trade or business within the United States and (ii) in the case of a Non-U.S. Holder that is eligible for the benefits of an income tax treaty with the United States, attributable to a permanent establishment (or, for an individual, a fixed base) maintained by the Non-U.S. Holder in the United States. Generally, U.S. trade or business income is not subject to U.S. federal withholding tax (provided the Non-U.S. Holder complies with applicable certification and disclosure requirements); instead, a Non-U.S. Holder is subject to U.S. federal income tax on a net income basis at regular U.S. federal income tax rates (in the same manner as a U.S. person) on its U.S. trade or business income. Any U.S. trade or business income received by a Non-U.S. Holder that is a corporation also may be subject to a "branch profits tax" at a 30% rate, or at a lower rate prescribed by an applicable income tax treaty, under specific circumstances.

Distributions

Distributions of cash or property that we pay in respect of our common stock will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). A Non-U.S. Holder generally will be subject to U.S. federal withholding tax at a 30% rate, or at a reduced rate prescribed by an applicable income tax treaty, on any dividends received in respect of our common stock. If the amount of a distribution exceeds our current and accumulated earnings and profits, such excess first will be treated as a tax-free return of capital to the extent of the Non-U.S. Holder's tax basis in our common stock, and thereafter will be treated as capital gain. In order to obtain a reduced rate of U.S. federal withholding tax under an applicable income tax treaty, a Non-U.S. Holder will be required to provide a properly executed IRS Form W-8BEN certifying its entitlement to benefits under the treaty. A Non-U.S. Holder of our common stock that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS. A Non-U.S. Holder should consult its own tax advisor regarding its possible entitlement to benefits under an income tax treaty.

The U.S. federal withholding tax described in the preceding paragraph does not apply to dividends that represent U.S. trade or business income of a Non-U.S. Holder who provides a properly executed IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Dispositions

A Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax in respect of any gain on a sale, exchange or other taxable disposition of common stock unless:

- the gain is U.S. trade or business income;
- the Non-U.S. Holder is an individual who is present in the United States for 183 or more days in the taxable year of the disposition and meets other conditions (in which case, such Non-U.S. Holder will be subject to U.S. federal income tax at a rate of 30% (or a reduced rate under an applicable tax treaty) on the amount by which certain capital gains allocable to U.S. sources exceed certain capital losses allocable to U.S. sources); or
- we are or have been a "U.S. real property holding corporation" (a "USRPHC") under section 897 of the Code at any time during the shorter of the five-year period ending on the date of disposition and the Non-U.S. Holder's holding period for the common stock (in which case, such gain will be subject to U.S. federal income tax in the same manner as U.S. trade or business income).

In general, a corporation is a USRPHC if the fair market value of its "U.S. real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. If we are determined to be a USRPHC, the U.S. federal income and withholding taxes relating to interests in USRPHCs nevertheless will not apply to gains derived from the sale or other disposition of our common stock by a Non-U.S. Holder whose shareholdings, actual and constructive, at all times during the applicable period, amount to 5% or less of the common stock, provided that the common stock is regularly traded on an established securities market. We do not believe that we currently are a USRPHC, and we do not anticipate becoming a USRPHC in the future. However, no assurance can be given that we will not be a USRPHC, or that our common stock will be considered regularly traded, when a Non-U.S. Holder sells its shares of our common stock.

Information Reporting and Backup Withholding Requirements

We must annually report to the IRS and to each Non-U.S. Holder any dividend income that is subject to U.S. federal withholding tax, or that is exempt from such withholding tax pursuant to an income tax treaty.

Copies of these information returns also may be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides. Under certain circumstances, the Code imposes a backup withholding obligation (currently at a rate of 28%) on certain reportable payments. Dividends paid to a Non-U.S. Holder of common stock generally will be exempt from backup withholding if the Non-U.S. Holder provides a properly executed IRS Form W-8BEN or otherwise establishes an exemption and the payor does not have actual knowledge or reason to know that the Holder is a U.S. person.

The payment of the proceeds from the disposition of our common stock to or through the U.S. office of any broker, U.S. or foreign, will be subject to information reporting and possible backup withholding unless the owner certifies as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption, *provided* that the broker does not have actual knowledge or reason to know that the Holder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied. The payment of the proceeds from the disposition of our common stock to or through a non-U.S. office of a non-U.S. broker will not be subject to information reporting or backup withholding unless the non-U.S. broker has certain types of relationships with the United States (a "U.S. related person"). In the case of the payment of the proceeds from the disposition of our common stock to or through a non-U.S. office of a broker that is either a U.S. person or a U.S. related person, the Treasury regulations require information reporting (but not backup withholding) on the payment unless the broker has documentary evidence in its files that the owner is a Non-U.S. Holder and the broker has no knowledge to the contrary. Non-U.S. Holders should consult their own tax advisors on the application of information reporting and backup withholding to them in their particular circumstances (including upon their disposition of common stock).

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability, if any, provided that the required information is furnished to the IRS.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement filed as an exhibit relating to this prospectus, we have agreed to sell to the underwriters named below, and the underwriters have severally agreed to purchase, the respective number of shares of common stock set forth below:

Underwriter	Number of Shares
Credit Suisse Securities (USA) LLC	
J.P. Morgan Securities Inc.	
Lehman Brothers Inc.	
Morgan Stanley & Co. Incorporated	
AGM Securities LLC	
Allen & Company LLC	
Banc of America Securities LLC	
Bear, Stearns & Co. Inc.	
Citigroup Global Markets Inc.	
Deutsche Bank Securities Inc.	
Goldman, Sachs & Co	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
UBS Securities LLC	
Total	38,000,000

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to 4,000,000 additional shares at the initial public offering price less underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common stock.

The underwriters propose to offer the shares of common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a selling concession of $ per share. The underwriters and selling group members may allow a discount of $ per share on sales to other broker/dealers. After the initial public offering the representative may change the public offering price and concession and discount to broker/dealers.

The following table summarizes the compensation and estimated expenses we will pay:

	Per Share		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Underwriting Discounts and Commissions paid by us	$	$	$	$
Expenses payable by us				

The representative has informed us that it does not expect sales to accounts over which the underwriters have discretionary authority to exceed 5% of the shares of common stock being offered.

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act of 1933 relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse Securities (USA) LLC for a period of 180 days after the date of this prospectus. However, in the event that either (1) during the last 17 days of the "lock-up" period, we release earnings results or material news or a material event relating to us occurs or (2) prior to the expiration of the "lock-up" period, we announce that we will release earnings results during the 16-day period beginning on the last day of the "lock-up" period, then in either case the expiration of the "lock-up" will be extended until the expiration of the 18-day period beginning on the date of the release of the earnings results or the occurrence of the material news or event, as applicable, unless Credit Suisse Securities (USA) LLC waives, in writing, such an extension.

Our officers and directors have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any of these transactions are to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC for a period of 180 days after the date of this prospectus. The founding members have also agreed to the same restrictions for a period of 180 days after the date of this prospectus. However, in the event that either (1) during the last 17 days of the "lock-up" period, we release earnings results or material news or a material event relating to us occurs or (2) prior to the expiration of the "lock-up" period, we announce that we will release earnings results during the 16-day period beginning on the last day of the "lock-up" period, then in either case the expiration of the "lock-up" will be extended until the expiration of the 18-day period beginning on the date of the release of the earnings results or the occurrence of the material news or event, as applicable, unless Credit Suisse Securities (USA) LLC waives, in writing, such an extension.

Credit Suisse Securities (USA) LLC has advised us that (i) it has no present intent or arrangement to release any of the securities subject to the lock-up agreements, (ii) there are no specific criteria that Credit Suisse Securities (USA) LLC will use in determining whether to release any securities from the lock-up agreements, (iii) the release of any securities will be considered on a case by case basis and (iv) the factors it could use in deciding whether to release securities may include the length of time before the lock-up expires, the number of shares involved, the reason for the requested release, market conditions, the trading price of our common stock, historical trading volumes of our common stock and whether the person seeking the release is an officer, director or affiliate of NCM Inc.

The underwriters have reserved for sale at the initial public offering price up to 1,900,000 shares of the common stock for employees, directors and other persons associated with us who have expressed an interest in purchasing common stock in the offering. For example, Kurt C. Hall, our President, Chief Executive Officer and Chairman, has expressed an interest in purchasing common stock totaling approximately $1,500,000. The number of shares available for sale to the general public in the offering will be reduced to the extent these persons purchase the reserved shares. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, including liabilities incurred in connection with the sale of reserved shares as described in the previous paragraph, or contribute to payments that the underwriters may be required to make in that respect.

Our common stock has been approved for listing on the Nasdaq Global Market.

In connection with the listing of the common stock on the Nasdaq Global Market, the underwriters will undertake to sell round lots of 100 shares or more to a minimum of 2,000 beneficial owners.

Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, investment banking, financial advisory and lending services for us and our affiliates for which they have received, or will receive, customary fees and expenses.

Upon the closing of this offering, NCM LLC will enter into a new $805.0 million senior secured credit facility with a group of lenders that will include affiliates of several of the underwriters. This facility will consist of a six-year, $80.0 million revolving credit facility and an eight-year, $725.0 million term loan facility.

An affiliate of Credit Suisse Securities (USA) LLC acts as a lender under our $20.0 million existing revolving credit facility, which includes a $2.0 million letter of credit sub-facility. The existing revolving credit facility will be repaid with the proceeds of our new senior secured credit facility.

An affiliate of Credit Suisse Securities (USA) LLC acts as lender, sole lead arranger, sole book-runner and administrative agent under a credit facility with Regal, or the $1.75 billion Regal credit facility. The credit facility consists of a $1.65 billion term loan facility and $100.0 million revolving credit facility. In March 2006, the facility was repriced, and in June 2006 a $200.0 million incremental term loan was extended. In November 2006, the facility was refinanced. An affiliate of Credit Suisse Securities (USA) LLC acts as a lender and co-documentation agent under AMC's $850.0 million credit facility. In January 2006, Credit Suisse Securities (USA) LLC acted as a joint book-runner in connection with an offering of the aggregate of $325.0 million of AMC's senior subordinated notes due 2016, or the AMC notes. On November 1, 2006, Credit Suisse Securities (USA) LLC acted as sole book-runner in connection with the offering of $160.2 million of shares of Regal common stock by Oaktree Capital Management, LLC.

An affiliate of Lehman Brothers Inc. acts as a lender under our $20.0 million existing revolving credit facility, which includes a $2.0 million letter of credit sub-facility. The existing revolving credit facility will be repaid with the proceeds of our new senior secured credit facility.

An affiliate of Lehman Brothers Inc. acted as a lender under Cinemark's $360.0 million revolving credit facility, which was refinanced in October 2006. An affiliate of Lehman Brothers Inc. acts as a lender, joint lead arranger, joint book-runner and administrative agent under Cinemark's new $1.27 billion credit facility, or the $1.27 billion Cinemark credit facility. In addition, an affiliate of Lehman Brothers Inc. acts as a lender under the $1.75 billion Regal credit facility. Lehman Brothers Inc. is an advisor to Cinemark in connection with Cinemark's acquisition of Century Theatres. In December 2005, Lehman Brothers Inc. acted as the sole book-runner in connection with Regal's issuance of 1.5 million shares of Class A common stock to a private investment fund.

J.P. Morgan Securities Inc. is engaged to assist with structuring the financing in connection with the digital cinema project. See "Summary—Recent Developments." J.P. Morgan Securities Inc. acts as a lender and syndication agent in connection with the AMC $200.0 million revolving credit facility. In January 2006, J.P. Morgan Securities Inc. acted as joint book-runner in connection with the offering of the AMC notes.

An affiliate of Morgan Stanley & Co. Incorporated acts as a lender, joint lead arranger and joint book-runner under the $1.27 billion Cinemark credit facility. Morgan Stanley & Co. Incorporated acted as an advisor to Century Theatres in connection with its acquisition by Cinemark.

An affiliate of Banc of America Securities LLC acts as a lender under our $20.0 million existing revolving credit facility, which includes a $2.0 million letter of credit sub-facility. The existing revolving credit facility will be repaid with the proceeds of our new senior secured credit facility. Banc of America Securities LLC acts as a co-lead arranger and an affiliate of Banc of America Securities LLC acts as a lender and syndication agent under AMC's $175.0 million revolving credit facility. An affiliate of Banc of America Securities acts as a lender and documentation agent under AMC's $200.0 million revolving credit facility. An affiliate of Banc of America

Securities acts as a lender and co-documentation agent under AMC's $650.0 million term loan. An affiliate of Banc of America Securities acted as a lender under Cinemark's $360 million credit facility. The credit facility consists of a $100.0 million revolving credit facility and a $260.0 million term loan facility.

An affiliate of Citigroup Global Markets Inc. acts as a leader under our $20.0 million existing revolving credit facility, which includes a $2.0 million letter of credit sub-facility. The existing revolving credit facility will be repaid with the proceeds of our new senior secured credit facility. An affiliate of Citigroup Global Markets Inc. acts as administrative agent and as a lender under AMC's $175.0 million credit facility.

An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated acts as a lender under Regal's $1,005.0 million term loan facility.

As of January 5, 2007, several of the underwriters have affiliates who own common stock of one or more of our founding members. An affiliate of Citigroup Global Markets Inc. owned approximately 3.0% of AMC's common stock, less than 1.0% of Regal's common stock and less than 1.0% of Cinemark's common stock. Goldman, Sachs and Co. owned less than 1.0% of Regal's common stock. An affiliate of Morgan Stanley & Co. Incorporated owned approximately 1.8% of Regal's common stock. An affiliate of J.P. Morgan Securities Inc. owned approximately 20.8% of AMC's common stock and less than 1.0% of Regal's common stock. An affiliate of Credit Suisse Securities (USA) LLC owned less than 1.0% of Regal's common stock, less than 1.0% of Cinemark's common stock and less than 1.0% of AMC's common stock. Banc of America Securities LLC and its affiliates owned approximately 4.3% of Regal's common stock. See "Use of Proceeds."

Prior to this offering, there has been no public market for the common stock. The initial public offering price will be determined by negotiations among us and the underwriters. The principal factors to be considered in determining the initial public offering price include the following:

- the information included in this prospectus and otherwise available to the underwriters;
- market conditions for initial public offerings;
- the history of and prospectus for our business and our past and present operations;
- our past and present earnings and current financial position;
- an assessment of our management;
- the market of securities of companies in business similar to ours; and
- the general condition of the securities markets.

The initial public offering price may not correspond to the price at which our common stock will trade in the public market subsequent to this offering, and an active trading market may not develop and continue after this offering.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions, and penalty bids in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing shares in the open market.

- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- Penalty bids permit the representative to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the Nasdaq Global Market or otherwise and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representative may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make Internet distributions on the same basis as other allocations.

Other than the prospectus in electronic format, the information on any underwriter's or selling group member's web site and any information contained in any other web site maintained by an underwriter or selling group member is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

The common stock is offered for sale in those jurisdictions in the United States, Europe, Asia and elsewhere where it is lawful to make such offers.

Each of the underwriters has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver any of the common stock directly or indirectly, or distribute this prospectus supplement or the accompanying prospectus or any other offering material relating to the common stock, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on us except as set forth in the underwriting agreement.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Underwriter represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Securities to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State at any time,

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the manager for any such offer; or

(d) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each of the underwriters severally represents, warrants and agrees as follows:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling with Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of FSMA does not apply to the company; and

(b) it has complied with, and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the common stock in, from or otherwise involving the United Kingdom.

The underwriters will not offer or sell any of our common stock directly or indirectly in Japan or to, or for the benefit of any Japanese person or to others, for re-offering or re-sale directly or indirectly in Japan or to any Japanese person, except in each case pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law of Japan and any other applicable laws and regulations of Japan. For purposes of this paragraph, "Japanese person" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan;

The underwriters and each of their affiliates have not (i) offered or sold, and will not offer or sell, in Hong Kong, by means of any document, our common stock other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32 of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance or (ii) issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere any advertisement, invitation or document relating to our common stock which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to our securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance any rules made under that Ordinance. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This prospectus or any other offering material relating to our common stock has not been and will not be registered as a prospectus with the Monetary Authority of Singapore, and the common stock will be offered in Singapore pursuant to exemptions under Section 274 and Section 275 of the Securities and Futures Act, Chapter 289 of Singapore (the " Securities and Futures Act"). Accordingly our common stock may not be offered or sold,

or be the subject of an invitation for subscription or purchase, nor may this prospectus or any other offering material relating to our common stock be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act, (b) to a sophisticated investor, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Our common stock may not be offered, sold, transferred or delivered in or from The Netherlands as part of their initial distribution or at any time thereafter, directly or indirectly, other than to, individuals or legal entities situated in The Netherlands who or which trade or invest in securities in the conduct of a business or profession (which includes banks, securities intermediaries (including dealers and brokers), insurance companies, pension funds, collective investment institution, central governments, large international and supranational organizations, other institutional investors and other parties, including treasury departments of commercial enterprises, which as an ancillary activity regularly invest in securities; hereinafter, “Professional Investors”), provided that in the offer, prospectus and in any other documents or advertisements in which a forthcoming offering of our common stock is publicly announced (whether electronically or otherwise) in The Netherlands it is stated that such offer is and will be exclusively made to such Professional Investors. Individual or legal entities who are not Professional Investors may not participate in the offering of our common stock, and this prospectus or any other offering material relating to our common stock may not be considered an offer or the prospect of an offer to sell or exchange our common stock.

LEGAL MATTERS

We are represented by Holme Roberts & Owen LLP, Denver, Colorado, who will pass upon the validity of the shares of common stock offered hereby. The underwriters are represented by Skadden, Arps, Slate, Meagher & Flom LLP, Los Angeles, California.

EXPERTS

The financial statement of National CineMedia, Inc. as of October 5, 2006, included in this prospectus has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein and elsewhere in the registration statement, and has been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The financial statements of National CineMedia, LLC as of December 29, 2005 and September 28, 2006, and for the nine months ended December 29, 2005 and September 28, 2006, included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein and elsewhere in the registration statement, and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The financial statements of Regal CineMedia Corporation, a predecessor of National CineMedia, LLC, as of December 30, 2004, and for the years ended January 1, 2004 and December 30, 2004 and the three months ended March 31, 2005, included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein and elsewhere in the registration statement, and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The financial statements of National Cinema Network, Inc., joint predecessor of National CineMedia, LLC, as of March 31, 2005, for the successor period from December 24, 2004, through March 31, 2005, and for the predecessor periods from April 2, 2004 through December 23, 2004 and the year ended April 1, 2004, included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein and elsewhere in the registration statement, and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC, in Washington, D.C., a registration statement on Form S-1 under the Securities Act with respect to the common stock offered hereby. This prospectus is a part of the registration statement and, as permitted by the SEC's rules, does not contain all of the information presented in the registration statement. For further information with respect to us and our common stock offered hereby, reference is made to the registration statement and the exhibits and any schedules filed therewith. Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete and in each instance, if such contract or document is filed as an exhibit, reference is made to the copy of such contract or other document filed as an exhibit to the registration statement, each statement being qualified in all respects by such reference. A copy of the registration statement, including the exhibits and schedules thereto, may be read and copied at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at *www.sec.gov*, from which interested persons can electronically access the registration statement, including the exhibits and any schedules thereto. The registration statement, including the exhibits and schedules thereto, is also available for reading and copying at the offices of the The Nasdaq Stock Market at One Liberty Plaza, 165 Broadway, New York, NY 10006.

As a result of this offering, we will become subject to the informational requirements of the Exchange Act. We will fulfill our obligations with respect to such requirements by filing periodic reports, proxy statements and other information with the SEC. We intend to furnish our stockholders with annual reports containing consolidated financial statements certified by an independent public accounting firm. We also maintain an Internet site at *www.ncm.com*. **Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus or the registration statement of which this prospectus forms a part, and you should not rely on any such information in making your decision whether to purchase our securities.**

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
National CineMedia, Inc.
Centennial, Colorado

We have audited the accompanying balance sheet of National CineMedia, Inc. (the "Company") as of October 5, 2006. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such balance sheet presents fairly, in all material respects, the financial position of the Company at October 5, 2006, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Denver, Colorado
January 9, 2007

National CineMedia, Inc.

Balance Sheet as of October 5, 2006

Assets	
Cash and cash equivalents	$ —
Total assets	$ —
Stockholder's Equity	
Common stock, $0.001 par value, 1,000 shares authorized, none issued or outstanding	$ —
Total stockholder's equity	$ —

See accompanying notes to balance sheet.

National CineMedia, Inc.

Notes to Balance Sheet
As of October 5, 2006

1. Organization

National CineMedia, Inc. (the "Company"), was incorporated in the state of Delaware on October 5, 2006 for the sole purpose of being a member and sole manager of National CineMedia, LLC. The Company filed its initial registration statement on Form S-1 with the Securities and Exchange Commission on October 12, 2006 concerning the sale of common stock. Upon completion of its initial public offering, the Company will use all of the proceeds to purchase an interest in National CineMedia, LLC and act as the sole manager, and to reimburse National CineMedia, LLC for deferred offering costs it has incurred related to the initial public offering. As of October 5, 2006 the Company has not been capitalized nor have any common or preferred shares been issued.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Members of
National CineMedia, LLC
Centennial, Colorado

We have audited the accompanying balance sheets of National CineMedia, LLC ("NCM") as of December 29, 2005 and September 28, 2006 and the related statements of operations, members' equity, and cash flows for the nine month periods ended December 29, 2005 and September 28, 2006. These financial statements are the responsibility of NCM's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of National CineMedia, LLC as of December 29, 2005 and September 28, 2006 and the results of its operations and its cash flows for the nine month periods ended December 29, 2005 and September 28, 2006, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Denver, Colorado
December 20, 2006

NATIONAL CINEMEDIA, LLC

BALANCE SHEETS
(In millions)

	December 29, 2005	September 28, 2006	Pro forma September 28, 2006 (Unaudited, Note 14)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ —	$ 4.6	$ 4.6
Receivables—net	36.6	51.9	51.9
Prepaid expenses and other current assets	1.0	1.1	1.1
Total current assets	37.6	57.6	57.6
PROPERTY AND EQUIPMENT, net of accumulated depreciation of $8.7 million in 2005 and $11.4 million in 2006	10.0	11.6	11.6
OTHER ASSETS:			
Network affiliate agreements, net of accumulated amortization of $1.2 million in 2005 and $1.9 million in 2006	1.1	0.4	0.4
Deferred offering costs	—	2.3	—
Debt issuance costs	—	0.1	14.6
Deposits and other	0.1	0.2	0.2
Total other assets	1.2	3.0	15.2
TOTAL	$ 48.8	$ 72.2	$ 84.4
LIABILITIES AND STOCKHOLDER'S EQUITY			
CURRENT LIABILITIES:			
Accounts payable	$ 5.1	$ 5.0	$ 5.0
Amounts due to Members	24.0	43.8	43.8
Short-term borrowings from Members	1.3	—	—
Accrued payroll and related expenses	1.5	6.1	6.1
Accrued expenses	5.5	1.9	1.9
Deferred revenue	1.6	2.2	2.2
Total current liabilities	39.0	59.0	59.0
OTHER LIABILITIES			
Unit option plan payable	—	1.1	—
Borrowings	—	10.0	735.0
Total other liabilities	—	11.1	735.0
Total liabilities	39.0	70.1	794.0
COMMITMENTS AND CONTINGENCIES (Notes 1, 8 and 12)			
MEMBERS' EQUITY	9.8	2.1	(709.6)
TOTAL	$ 48.8	$ 72.2	$ 84.4

See accompanying notes to financial statements.

NATIONAL CINEMEDIA, LLC

STATEMENTS OF OPERATIONS
(In millions)

	9 Months Ended December 29, 2005	9 Months Ended September 28, 2006
REVENUE:		
Advertising	$ 56.0	$ 128.2
Administrative fees—Members	30.8	4.3
Meetings and events	11.7	12.5
Other	0.3	0.2
Total	98.8	145.2
EXPENSES:		
Advertising operating costs	6.3	6.0
Meetings and events operating costs	5.4	4.5
Circuit share costs—Members	38.6	88.6
Network costs	9.2	10.5
Selling and marketing costs	24.9	27.9
Administrative costs	9.8	11.4
Severance Plan costs	8.5	3.4
Depreciation and amortization	3.0	3.4
Other costs	—	0.4
Total	105.7	156.1
OPERATING INCOME (LOSS)	(6.9)	(10.9)
INTEREST EXPENSE—NET	—	0.3
NET INCOME (LOSS)	$ (6.9)	$ (11.2)

See accompanying notes to financial statements.

NATIONAL CINEMEDIA, LLC

STATEMENT OF MEMBERS' EQUITY
(In millions)

Statement of Members' Equity	Members' Equity
Issuance of initial units at inception date in exchange for contributed assets, net of liabilities assumed	$ 0.9
Issuance of additional units in exchange for cash	7.3
Contribution of Severance Plan payments	8.5
Net loss	(6.9)
Balance—December 29, 2005	9.8
Capital contribution from member	0.9
Contribution of Severance Plan payments	3.5
Distribution to Members	(0.9)
Net loss	(11.2)
Balance—September 28, 2006	$ 2.1

See accompanying notes to financial statements.

NATIONAL CINEMEDIA, LLC

STATEMENTS OF CASH FLOWS
(In millions)

	9 Months Ended December 29, 2005	9 Months Ended September 28, 2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (6.9)	$ (11.2)
Adjustments to reconcile net income (loss) to net cash provided by operating (used in) activities:		
Depreciation and amortization	3.0	3.4
Non-cash Severance Plan and Share-Based Compensation costs	8.0	4.5
Changes in operating assets and liabilities:		
Decrease (increase) in receivables—net	(36.6)	(15.3)
Decrease (increase) in prepaid expenses and other current assets	(0.6)	(0.2)
Increase in deposits and other assets	(0.1)	(0.2)
Increase (decrease) in accounts payable	5.1	(1.4)
Increase in amounts due to Members	20.5	23.3
Increase (decrease) in accrued expenses	3.1	1.1
Payment of Severance Plan costs	—	(3.5)
Increase (decrease) in deferred revenue	1.6	0.6
Net cash provided by (used in) operating activities	(2.9)	1.1
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(5.9)	(4.0)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in deferred offering costs	—	(1.3)
Proceeds of short-term borrowings from Members	9.5	3.0
Repayments of short-term borrowings to Members	(8.2)	(4.2)
Proceeds from borrowings under Revolving Credit Facility	—	27.5
Repayments of borrowings under Revolving Credit Facility	—	(17.5)
Proceeds from Member contribution	0.2	0.9
Proceeds from issuance of units	7.3	—
Distribution to Members	—	(0.9)
Net cash provided by financing activities	8.8	7.5
INCREASE IN CASH AND CASH EQUIVALENTS	—	4.6
CASH AND CASH EQUIVALENTS:		
Beginning of period	—	—
End of period	$ —	$ 4.6
Supplemental disclosure of non-cash financing and investing activity:		
Contribution of Severance Plan payments	$ 8.5	$ 3.5
Increase in deferred offering costs	$ —	$ 1.0
Increase in property and equipment	$ —	$ 0.3

See accompanying notes to financial statements.

NATIONAL CINEMEDIA, LLC

NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 29, 2005, AND SEPTEMBER 28, 2006 AND FOR THE
NINE MONTHS ENDED DECEMBER 29, 2005 AND SEPTEMBER 28, 2006
(In millions)

1. THE COMPANY AND BASIS OF PRESENTATION

National CineMedia, LLC ("NCM") provides advertising, business meetings, and event services to its Members under Exhibitor Services Agreements that extend through April 1, 2010. NCM also provides such services to certain third-party theatre circuits under "Network Affiliate Agreements" expiring at various dates through September 2009. NCM operates on a fiscal year ending on the first Thursday after December 25, which in certain years results in a 53-week year. The business meetings and event services operations are operating segments but do not meet the quantitative thresholds for segment reporting.

NCM was formed on March 29, 2005 through the combination of the operations of National Cinema Network, Inc. ("NCN"), a wholly owned subsidiary of AMC Entertainment, Inc. ("AMCE"), and Regal CineMedia Corporation ("RCM"), a wholly owned subsidiary of Regal Entertainment Group ("Regal", or, in relation to RCM, the "Parent"). In accordance with the Contribution and Unit Holders Agreement entered into on that date by NCM, NCN, and RCM, 370 units were issued to NCN and 630 units were issued to Regal CineMedia Holdings, LLC ("RCM Holdings") in exchange for the contribution of $0.9 million of cash and other assets, net of liabilities assumed. All assets contributed to and liabilities assumed by NCM were recorded on NCM's records in the amounts as reflected on the Members' historic accounting records, based on the application of accounting principles for the formation of a joint venture under EITF 98-4, "*Accounting by a Joint Venture for Businesses Received at Its Formation*". Although legally structured as a limited liability company, NCM is considered a joint venture for accounting purposes given the joint control provisions of the operating agreement among the members, consistent with Accounting Principles Board Opinion No. 18, "*The Equity Method of Accounting for Investments in Common Stock*". RCM and NCN are each considered to be predecessors of NCM. The following table summarizes the assets contributed to and liabilities assumed by NCM:

Cash	$ 0.2
Property and equipment	5.9
Network affiliate agreements	2.3
Other assets	0.4
Compensation-related obligation	(4.0)
Accrued expenses	(3.9)
Total	$ 0.9

On July 15, 2005, in exchange for a cash contribution of $7.3 million, 261 NCM units were issued to Cinemark Media, Inc. ("Cinemark Media"), a wholly owned subsidiary of Cinemark USA, Inc. ("Cinemark").

As the result of final adjustments to the valuations attributed to the contributed assets and liabilities resulting from AMC's merger on December 23, 2004 with Marquee Holdings Inc., NCN contributed additional cash during 2006, which was then distributed to RCM Holdings and Cinemark Media, thus having no impact on the assets and liabilities of NCM.

NCN, RCM Holdings, and Cinemark Media have signed an Amended and Restated Limited Liability Company Operating Agreement ("LLCOA"), in order to set forth their respective rights and obligations in connection with their ownership of NCM. Among other provisions, each of the three Members is allowed to designate three board members, with NCM's Chief Executive Officer being the tenth board member. Matters that require the approval of NCM's board of directors require the approval of nine board members.

NATIONAL CINEMEDIA, LLC

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 29, 2005, AND SEPTEMBER 28, 2006 AND FOR THE
NINE MONTHS ENDED DECEMBER 29, 2005 AND SEPTEMBER 28, 2006
(In millions)

There are currently 1,261 Member units outstanding, of which 630 (50.0%) are owned by RCM Holdings, 370 (29.3%) are owned by NCN, and 261 (20.7%) are owned by Cinemark Media. Should a Liquidity Event as defined in the LLCOA occur, each Member's ownership percentage will be recalculated based upon the total Advertising Circuit Share percentage (as defined below) for the previous twelve months for that Member.

NCM, RCM, Cinemark, and American Multi-Cinema, Inc. ("AMC"), a wholly owned subsidiary of AMCE, entered into an Amended and Restated Software License Agreement in connection with the licensing of software and related rights ancillary to the use of such software by NCM for the conduct of its business. Improvements made to this software subsequent to March 31, 2005 are owned by the Company. None of RCM, Cinemark, or AMC can use its software to provide the services performed by NCM pursuant to the Exhibitor Services Agreements (as described herein).

In addition, a Transition Services Agreement was entered into by NCM, AMC, NCN, Regal, and RCM pursuant to which the parties agreed to reimburse each other for services provided on the behalf of others during a transition period from April 1, 2005 through December 31, 2005.

NCM has entered into an Exhibitor Services Agreement ("ESA") with Regal Cinemas, Inc. ("RCI"), a wholly owned subsidiary of Regal, with AMC, and with Cinemark. Under these agreements, subject to limited exceptions, NCM is the exclusive provider of advertising and event services to the Members' theatres. In the case of Cinemark, the ESA is also subject to the advertising services agreements between Cinemark on the one hand and Technicolor Screen Services, Inc. and Val Morgan Advertising, Inc. on the other hand. Both of these agreements (the "Screenvision Agreements") expired December 31, 2005, with certain "advertising runout" rights that extended through March 31, 2006. In exchange for the right to provide these services to the Members, NCM is required to pay to the Members a specified percentage of NCM's advertising revenue ("Advertising Circuit Share"), and an agreed-upon auditorium rent ("Auditorium Rent") in relation to the meetings and events held in Member theatres, in aggregate known as "Circuit Share Expense." During 2005, the "Advertising Circuit Share Percentage" was 65%. During 2006, the "Advertising Circuit Share" percentage was 68%, a change approved by the members at the end of 2005. The Advertising Circuit Share is allocated among the Members based on a formula that takes into account the number of patrons served and screens operated by each Member during the previous quarter. In accordance with the LLCOA, the Advertising Circuit Share Percentage may be changed at the end of each year by a unanimous vote of the Members. These agreements would terminate immediately upon the dissolution of NCM LLC. Each of these agreements would also terminate in the event of withdrawal by AMC, Cinemark or Regal, respectively, from NCM LLC pursuant to the terms of NCM LLC's Operating Agreement. Each of the agreements may also be terminated (i) in the event of a material breach of any provision of the agreement which breach remains uncured after notice and an opportunity to cure and (ii) in the event a permanent injunction or other final order or decree is entered by a governmental, regulatory or judicial entity which enjoins or otherwise prevents performance of obligations under the agreement.

Pursuant to the ESAs, AMC and Regal, through their subsidiaries, retained all advertising contracts sold by NCN's or RCM's sales teams prior to April 1, 2005 ("AMC Legacy Contracts" and "Regal Legacy Contracts," respectively), and agreed to pay an administrative fee as a percentage of revenue (equal to 35% during 2005 and 32% during 2006) from these contracts payable to NCM to service these contracts through their expiration. Cinemark retained all advertising contracts signed pursuant to the Screenvision Agreements ("Cinemark Legacy Contracts," and together with AMC Legacy Contracts and Regal Legacy Contracts, the "Legacy Contracts"),

subject to an administrative fee (35% in 2005 and 32% in 2006), payable to NCM for all revenue generated by the Screenvision Agreements subsequent to December 31, 2005. Total advertising revenue managed by NCM associated with the Legacy Contracts was $88.0 million for the period ended December 29, 2005 and $13.4 million for the period ended September 28, 2006. Administrative fee revenue will decline over time as the Legacy Contracts expire.

As a result of the various related party agreements discussed in Note 6, the operating results as presented are not necessarily indicative of the results that would have occurred if all agreements were with non-related third parties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Revenue Recognition*—**Advertising revenue and administrative fees from Legacy Contracts are recognized in the period in which an advertising contract is fulfilled against the contracted theatre attendees. Deferred revenue refers to the unearned portion of advertising contracts. All deferred revenue is classified as a current liability. Meetings and events revenue is recognized in the period in which the event was held. Legacy Contracts are contracts for advertising services with customers sold by founding members prior to the formation of NCM, which were not assigned to NCM, where the services were to be delivered after the formation. Administrative fees are earned by the Company for its services in fulfilling the Legacy Contracts, based on a percentage of Legacy Contract revenue (32% during 2006 and 35% during 2005). Administrative fees will decline as Legacy Contracts are fulfilled. Except for administrative fees, the Company's revenue is earned from contracts with third parties.

***Operating Costs*—**Advertising-related operating costs primarily include personnel and other costs related to advertising fulfillment and, to a lesser degree production costs of non-digital advertising and payments due to unaffiliated theatres circuits under the "Network Affiliate Agreements". These costs relate to the advertising revenue recorded by the Company as well as NCM's administrative fees associated with the Legacy Contracts.

Meeting and event operating costs include equipment rental, catering, movie tickets acquired primarily from the theatre circuits, and other direct costs of the meeting or event.

Circuit share costs are fees payable to the theatre circuits for the right to exhibit advertisements within the theatres.

Network costs include personnel, satellite bandwidth, repairs, and other costs of maintaining and operating the digital network and preparing advertising and other content for transmission across the digital network. These costs may be applicable to either the advertising or the meetings and events business lines.

***Cash and Equivalents*—**All highly liquid debt instruments and investments purchased with a remaining maturity of three months or less are classified as cash equivalents. Periodically these are cash balances in a bank in excess of the federally insured limits or in the form of a money market demand account with a major financial institution.

A cash overdraft of $0.2 million is included in accounts payable and reflects the balances held in bank accounts, net of $0.9 million of outstanding checks, as of December 29, 2005.

NATIONAL CINEMEDIA, LLC

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 29, 2005, AND SEPTEMBER 28, 2006 AND FOR THE
NINE MONTHS ENDED DECEMBER 29, 2005 AND SEPTEMBER 28, 2006
(In millions)

***Receivables*—**Bad debts are provided for using the allowance for doubtful accounts method based on historical experience and management's evaluation of outstanding receivables at the end of the year. Trade accounts receivable are uncollateralized and represent a large number of geographically dispersed debtors, none of which are individually material.

***Property and Equipment*—**Property and equipment is stated at cost. Major renewals and improvements are capitalized, while replacements, maintenance, and repairs that do not improve or extend the lives of the respective assets are expensed currently. In general, the equipment associated with the digital network that is located within the theatre is owned by the Members, while equipment outside the theatre is owned by the Company. The Company records depreciation and amortization using the straight-line method over the following estimated useful lives:

Equipment	4–10 years
Computer hardware and software	3–5 years
Leasehold improvements	Lesser of lease term or asset life

Amounts due to Members—Amounts due to founding members include circuit share costs and cost reimbursements and are offset by the administrative fees earned on Legacy Contracts. Payments to our founding members against outstanding balances are made monthly.

***Network Affiliate Agreements*—**Network affiliate agreements were contributed at NCM's formation at the net book value of the Members and are amortized on a straight-line basis over the remaining life of the agreement. These agreements require payment to the affiliate of 35% to 55% of the advertising revenue associated with the advertisements played in affiliate theatres, and also specify minimum payments that must be made. Amortization expense related to the network affiliate agreements for the period ended December 29, 2005 was $1.2 million and for the period ended September 28, 2006 was $0.7 million.

***Income Taxes*—**As a limited liability company, NCM LLC's taxable income or loss is allocated to Members in accordance with the provisions in the Amended and Restated Limited Liability Company Operating Agreement. Therefore, no provision or liability for income taxes has been included in the financial statements.

***Stock-Based Compensation*—**In December 2002, the FASB issued SFAS No. 148, *Accounting for Stock-Based Compensation—Transition and Disclosure*. SFAS No. 148 amends SFAS No. 123, *Accounting for Stock- Based Compensation*, to provide alternative methods of transition for a voluntary change to SFAS No. 123's fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 and APB Opinion No. 28, *Interim Financial Reporting*, to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. Under SFAS No. 123, entities are permitted to recognize as expense the fair value of all stock-based awards on the date of grant over the vesting period and alternatively allows entities to continue to apply the provisions of APB Opinion No. 25, *Accounting for Stock Issued to Employees* and related interpretations, and provide pro forma net income or loss and earnings or loss per share disclosures as if the fair-value-based method defined in SFAS No. 123 had been applied. In December 2004, the FASB revised SFAS 123 with SFAS 123(R), *Share-Based Payment.* SFAS 123(R) eliminates the intrinsic value-based method and requires all entities to recognize compensation expense in an amount equal to the fair value of share based payments granted to employees. NCM LLC adopted SFAS 123(R) December 30, 2005, but the adoption had no impact on financial position or results of operations because there were no share based awards outstanding at the

date of adoption. On April 4, 2006, NCM's Board of Directors approved the NCM LLC 2006 Unit Option Plan, as more fully described in Note 11. The Company has recorded expense of $1.1 million for the nine months ended September 28, 2006 for the options issued under the 2006 Unit Option Plan pursuant to the requirements of SFAS 123(R).

***Estimates*—**The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include those related to the reserve for uncollectible accounts receivable, deferred revenue and equity based compensation. Actual results could differ from those estimates.

3. RECENT ACCOUNTING PRONOUNCEMENTS

During June 2006, the FASB issued Interpretation No. ("FIN") 48, *Accounting for Uncertainty in Income Taxes*—an interpretation of FASB Statement No. 109. This interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, *Accounting for Income Taxes*, and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. This interpretation is effective for fiscal years beginning after December 15, 2006. As a limited liability company, NCM's taxable income or loss is allocated to the Founding Members in accordance with the provisions of its operating documents. However, with the proposed formation of National CineMedia, Inc., it will be a taxable entity and will be required to consider this interpretation as it relates to both itself and the Company's consolidated tax position at National CineMedia, Inc. The Company is currently evaluating the impact the interpretation may have on its future financial condition, results of operations, and cash flows.

During October 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. This statement does not require any new fair value measurements but provides guidance on how to measure fair value and clarifies the definition of fair value under accounting principles generally accepted in the United States of America. The statement also require new disclosures about the extent to which fair value measurements in financial statements are based on quoted market prices, market-corroborated inputs, or unobservable inputs that are based on management's judgments and estimates. The statement is effective for fiscal years beginning after November 15, 2007. The statement will be applied prospectively by the Company for any fair value measurements that arise after the date of adoption.

The FASB has also issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106, and 132(R).* As the Company has no plans covered by this standard, it will have no effect on the Company's financial statements.

The SEC has issued Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements* ("SAB 108"), in September 2006. SAB 108 requires entities to quantify misstatements based on their impact on each of their financial statements and related disclosures. SAB 108 is effective as of December 31, 2006. The adoption of this standard is not expected have an impact on the Company's consolidated results of operations, cash flows or financial position.

NATIONAL CINEMEDIA, LLC

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 29, 2005, AND SEPTEMBER 28, 2006 AND FOR THE NINE MONTHS ENDED DECEMBER 29, 2005 AND SEPTEMBER 28, 2006
(In millions)

4. RECEIVABLES

Receivables consisted of the following at December 29, 2005 and September 28, 2006:

	December 29, 2005	September 28, 2006
Trade accounts	$ 37.0	$ 52.8
Other	0.1	0.1
Less allowance for doubtful accounts	(0.5)	(1.0)
Total	$ 36.6	$ 51.9

5. DEFERRED OFFERING COSTS

The Company has paid certain costs associated with the proposed initial public offering ("IPO") of National CineMedia, Inc., a newly formed holding company whose sole asset will be approximately 40.5% of the common membership units of the Company (See Note 14). These costs will be reimbursed to the Company by National CineMedia, Inc. at the time of the IPO. Should the National CineMedia, Inc. IPO not be completed, these deferred offering costs would be expensed as administrative expenses at the time the determination is made that the IPO will not occur or is significantly delayed.

6. RELATED-PARTY TRANSACTIONS

Included in media and events operating costs is $2.1 million and $1.7 million for the nine months ended December 29, 2005 and September 28, 2006, respectively, related to purchases of movie tickets and concession products from the Members primarily for resale to NCM's customers, of which $1.9 million and $1.2 million for the nine months ended December 29, 2005 and September 28, 2006, respectively, was paid to Regal and $0.2 million and $0.5 million for the nine months ended December 29, 2005 and September 28, 2006, respectively, was paid to AMC.

As discussed in Note 1, at the formation of NCM and upon the admission of Cinemark as a Member, circuit share agreements and administrative services fee agreements were consummated with each Member. Circuit share expense and administrative fee revenue by Member is as follows:

	For the nine months ended December 29, 2005		For the nine months ended September 28, 2006	
	Circuit Share Expense	Administrative Fee Revenue	Circuit Share Expense	Administrative Fee Revenue
AMC	$ 19.4	$ 8.3	$ 27.1	$ 0.2
Cinemark	0.1	—	18.9	0.3
Regal	19.1	22.5	42.6	3.8
Total	$ 38.6	$ 30.8	$ 88.6	$ 4.3

Upon the formation of NCM, the level of such payments as a percentage of advertising revenue was significantly increased. Also, advertising revenue and related circuit share costs related to founding member Legacy Contracts that would have been recorded as such by the founding members are not included in the

NATIONAL CINEMEDIA, LLC

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 29, 2005, AND SEPTEMBER 28, 2006 AND FOR THE
NINE MONTHS ENDED DECEMBER 29, 2005 AND SEPTEMBER 28, 2006
(In millions)

statement of operations of NCM because of the provisions of the administrative services agreement, under which NCM earned a fee of 35% of the $88.0 million of revenue from such contracts for the nine months ended December 29, 2005 and NCM earned a fee of 32% of the $13.4 million of revenue from such contracts for the nine months ended September 28, 2006. As the Legacy Contracts expire and NCM sells new advertising agreements, advertising revenue and related circuit share costs will increase.

Payments from NCM for employee and other services provided under the Transition Services Agreement to Regal and its subsidiaries totaled $3.3 million, and to AMC and its subsidiaries totaled $3.2 million for the nine months ended December 29, 2005. Additionally, Regal and its subsidiaries paid $0.1 million to NCM for services provided by NCM to RCI under the Transition Services Agreement for the nine months ended December 29, 2005.

During 2005, AMC and RCI purchased $0.5 million and $0.6 million, respectively, of NCM's advertising inventory for their own use and during 2006, AMC and RCI purchased $0.5 million and $1.0 million of NCM's advertising inventory for their own use. The value of such purchases are calculated by reference to NCM's advertising rate card and is included in advertising revenue with a percentage of such amounts returned by NCM to the members as advertising circuit share.

As further described in Note 10 "Stock Option Plan", certain RCM employees who would become employees of NCM had been granted Regal stock options and restricted stock. As specified within the Contribution and Unit Holders Agreement and in accordance with the RCI Severance Plan for Equity Compensation (the "Severance Plan"), in lieu of continued participation in the Regal stock option and restricted stock plan by these employees, Regal agreed to make cash payments to these employees at an agreed-upon value for such options and restricted stock, with payments to be made on the dates which such options and restricted stock would have otherwise vested. Additionally, the Contribution and Unit Holders Agreement provided that NCM will reimburse Regal $4.0 million associated with Regal's obligations under this arrangement. This $4.0 million obligation was recorded as a liability on NCM's records as of March 29, 2005, reducing the capital accounts of AMC and Regal pro-rata to their ownership percentages. The first payment of $0.5 million was made to Regal on March 29, 2005, with the remaining $3.5 million paid to Regal on March 29, 2006. The total cost of the Severance Plan, including payments in lieu of dividend distributions on restricted stock, is estimated to be in the range of approximately $15.0 million to $16.0 million. As the Severance Plan provides for payments over future periods that are contingent upon continued employment with National CineMedia, the cost of the Severance Plan will be recorded as an expense over the remaining required service periods. As the payments under the Plan are being funded by Regal, Regal will be credited with a capital contribution equal to this severance plan expense. During the periods ended December 29, 2005 and September 28, 2006, severance expense and the related capital contribution were $8.5 million and $3.4 million, respectively. Severance expense for the remainder of fiscal 2006, and for fiscal years 2007 and 2008 at a minimum is expected to be $0.7 million, $1.9 million and $0.6 million, respectively, prior to the inclusion of payments in lieu of distributions on restricted stock and the impact of any employee terminations.

Amounts due to (from) Members at December 29, 2005 is comprised of:

	AMC	Cinemark	Regal	Total
Circuit share payments	$11.7	$ 0.1	$10.6	$22.4
Cost reimbursement	0.6	—	—	0.6
Compensation-related payment	—	—	3.5	3.5
Administrative fee	—	—	(2.5)	(2.5)
Total	$12.3	$ 0.1	$11.6	$24.0

NATIONAL CINEMEDIA, LLC

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 29, 2005, AND SEPTEMBER 28, 2006 AND FOR THE NINE MONTHS ENDED DECEMBER 29, 2005 AND SEPTEMBER 28, 2006
(In millions)

Amounts due to (from) Members at September 28, 2006 is comprised of:

	AMC	Cinemark	Regal	Total
Circuit share payments	$13.0	$ 9.8	$21.1	$43.9
Cost reimbursement	0.1	—	0.1	0.2
Administrative fee	—	—	(0.3)	(0.3)
Total	$13.1	$ 9.8	$20.9	$43.8

7. BORROWINGS

Short-term borrowings from members—In 2005, NCM signed an Amended and Restated Demand Promissory Note (the "Demand Note") with its Members (the "Holders") under which the Company could borrow up to $11 million on a revolving basis. Borrowings under the Demand Note were funded by the Members pro rata to their ownership of units. Interest was payable monthly, at 200 basis points over LIBOR. Interest paid to the Members during 2005 and 2006 was less than $0.1 million, respectively. As of December 29, 2005, outstanding borrowings under the Demand Note totaled $1.3 million. The interest rate as of that date was 6.34%. The demand note was repaid and cancelled on March 22, 2006.

Long-term borrowings—On March 22, 2006, NCM entered into a bank-funded $20 million Revolving Credit Agreement (the "Revolver"), of which $2 million may be utilized in support of letters of credit. The Revolver is collateralized by trade receivables, and borrowings under the Revolver are limited to 85% of eligible trade receivables as defined. The Revolver has a final maturity date of March 22, 2008, but may be prepaid by the Company at its option pursuant to the terms of the Revolver, and it bears interest, at NCM's option, at either an adjusted Eurodollar rate or the base rate plus, in each case, an applicable margin. Outstanding borrowings at September 28, 2006, were $10.0 million. Available borrowings under the Revolver were $10.0 million at September 28, 2006. The aggregate interest rate on outstanding borrowings as of that date was 7.86%.

8. LEASE OBLIGATIONS

The Company leases office facilities for its headquarters in Centennial, Colorado and also in various cities for its sales and marketing personnel as sales offices. The Company has no capital lease obligations. Total lease expense for the nine months ended December 29, 2005 and September 28, 2006 was $1.1 million and $1.2 million, respectively.

Future minimum lease payments under noncancelable operating leases are as follows:

2006 (fourth quarter)	$0.4
2007	1.6
2008	1.6
2009	1.5
2010	1.2
2011	1.3
Thereafter	2.3
Total	$9.9

9. EMPLOYEE BENEFIT PLANS

NCM sponsors the National CineMedia LLC 401(k) Profit Sharing Plan (the "plan") under section 401(k) of the Internal Revenue Code of 1986, as amended, for the benefit of substantially all full-time employees. The plan provides that participants may contribute up to 20% of their compensation, subject to Internal Revenue Service limitations. Employee contributions are invested in various investment funds based upon elections made by the employee. The Company made discretionary contributions of $0.3 million and $0.4 million during the periods ended December 29, 2005 and September 28, 2006, respectively.

10. STOCK OPTION PLAN

In connection with the formation of National CineMedia, on May 11, 2005, Regal Cinemas, Inc. ("RCI", a wholly-owned subsidiary of Regal) adopted and approved the RCI Severance Plan for Equity Compensation (the "Severance Plan"). Participation in the Severance Plan is limited to employees of RCM, who held unvested options to purchase shares of Regal's common stock or unvested shares of Regal's restricted common stock pursuant to the terms of the Incentive Plan immediately prior to such employee's termination of employment with RCM and commencement of employment with National CineMedia. Each employee's termination of employment with RCM was effective as of the close of business on May 24, 2005, and commencement of employment with National CineMedia was effective as of the next business day on May 25, 2005. (Between April 1, 2005 and May 24, 2005, NCM was billed for the costs of these employees' compensation and related benefits.) Under the terms of and subject to the conditions of the Severance Plan, each eligible employee who participates in the Severance Plan (a "Participant") is, at the times set forth in the Severance Plan, entitled to a cash payment equal to (1) with respect to each unvested stock option held on May 24, 2005, the difference between the exercise price of such unvested option and $20.19 (the fair market value of a share of Regal's common stock on May 24, 2005, as calculated pursuant to the terms of the Severance Plan) and (2) with respect to each unvested share of restricted stock, $20.19 (the fair market value of a share of Regal's common stock on May 24, 2005, as calculated pursuant to the terms of the Severance Plan). In addition, the Severance Plan provides that each Participant who held unvested shares of restricted stock on May 24, 2005, will be entitled to receive payments in lieu of dividend distributions in an amount equal to the per share value of dividends paid on Regal's common stock times the number of shares of such restricted stock. Each such Participant will receive these payments in lieu of dividend distributions until the date that each such Participant's restricted stock would have vested in accordance with the Incentive Plan. Solely for purposes of the calculation of such payments with respect to restricted stock, in the event of any stock dividend, stock split or other change in the corporate structure affecting Regal's common stock, there shall be an equitable proportionate adjustment to the number of shares of restricted stock held by each Participant immediately prior to his or her termination of employment with RCM.

Each Participant's cash payment will vest according to the year and date on which such unvested options and restricted stock held by such Participant would have vested pursuant to the terms of the Incentive Plan and the related award agreement had employment with RCM not ceased. The Severance Plan is a change in terms of the Regal options and restricted stock, resulting in a new measurement date for these equity compensation arrangements. The total cost of the Severance Plan, including payments in lieu of dividend distributions on restricted stock, is estimated to be in the range of approximately $15.0 million to $16.0 million. As the Severance Plan provides for payments over future periods that are contingent upon continued employment with NCM, the cost of the Severance Plan will be recorded as an expense over the remaining required service periods. As expenses recognized, Regal, which is funding payments under the Severance Plan, is credited with a capital

(In millions)

contribution. During the nine-months ended December 29, 2005 and September 28, 2006, the Company recorded total severance expense of approximately $8.5 million, including approximately $0.1 million of payments in lieu of dividends, and $3.4 million, respectively, related to the Severance Plan. The Company records the expense as a separate line item in the statements of operations. The amount recorded is not allocated to advertising operating costs, network costs, selling and marketing costs and administrative costs because the recorded expense is associated with the past performance of Regal's common stock market value rather than current period performance. The table below presents the estimated allocation of the expense if the Company did allocate it to these specific line items:

	Nine Months Ended December 29, 2005	Nine Months Ended September 28, 2006
Advertising operating costs	$ 0.1	$ —
Network costs	0.5	0.3
Selling and marketing costs	1.7	1.6
Administrative costs	6.2	1.5
Total	$ 8.5	$ 3.4

Future charges under the Severance Plan are estimated to be $0.7 million in the remainder of 2006, $1.9 million in 2007 and $0.6 million in 2008.

11. UNIT OPTION PLAN

On April 4, 2006, the Company's board of directors approved a unit option plan. 27.640 units are reserved for issuance under option grants as of September 28, 2006. Activity in the unit option plan has been as follows:

	Units	Weighted Average Exercise Price
Granted	27.2	$ 1.1
Forfeited	(2.0)	1.0
Balance at September 28, 2006	25.2	1.1

No options are exercisable at September 28, 2006. Options outstanding at September 28, 2006 have been granted at the following exercise prices: 21.6 units at $1.0 million per unit; 2.4 units at $1.1 million per unit and 1.2 units at $1.5 million per unit, all at an average remaining life of approximately nine years.

All options granted vest over periods of 69 through 81 months. The options include provisions under which, in certain circumstances, the holders may be able to put the options back to the Company and receive a cash payment based on a formula tied to the attainment of certain operating objectives. Therefore, under SFAS No. 123(R), the options are accounted for as liability awards rather than equity awards.

The Company has estimated the calculated value of these options at $0.5 million per unit, based on the Black-Scholes option pricing model. The Black-Scholes model requires that the Company make estimates of various factors used in the Black-Scholes model, the most critical of which are the fair value of equity and the expected volatility of equity value. Since the Company's options were granted in contemplation of an IPO as described in

Note 14, the Company has considered the expected pricing of the IPO to estimate the equity value, for each unit underlying the options. As the NCM LLC unit options were issued in contemplation of an IPO (see Note 14), the Company has determined the calculated value of the options based on the estimated equity fair value of NCM LLC, as derived from the expected IPO pricing. The estimate of equity fair value was calculated by (i) applying the estimated multiple of net income (loss) before interest expense, income tax benefit (provision) and depreciation and amortization expense ("EBITDA") that will be used in pricing the IPO, determined from our ongoing discussions with our investment bankers, to our estimate of 2007 EBITDA, to arrive at enterprise value, and then (ii) subtracting the estimated senior secured term debt expected to be outstanding at the consummation of the offering, to arrive at equity value. Under liability accounting, the Company will reestimate the calculated value of the options as of each reporting date. The calculated value of the options will be charged to operations over the vesting period. Charges or credits related to changes in the estimated calculated value of the options will be recognized as of each reporting date.

The following assumptions were used in the valuation of the options:

- Expected life of options—9 years. The expected life of the options was determined by using the average of the vesting and contractual terms of the options (the "simplified method" as described in SEC Staff Accounting Bulletin 102).
- Risk free interest rate—4.9%. The risk-free interest rate was determined by using the applicable Treasury rate as of the grant date.
- Expected volatility of membership units—30.0%. Expected volatility was estimated based on comparable companies and industry indexes for historic stock price volatility.
- Dividend yield—3.0%. The estimated dividend yield was determined using management's expectations based on estimated cash flow characteristics and expected dividend policy after the IPO discussed in Note 14.

The forfeiture rate was not significant, because a substantial number of options are held by a few executives of the Company who are expected to continue employment through the vesting period.

For the nine-month period ended September 28, 2006, the Company recognized $1.1 million of share-based compensation expense for these options. As of September 28, 2006, unrecognized compensation cost related to nonvested options was $12.5 million, which will be recognized over a weighted average remaining period of between 63 and 75 months, subject to variability due to the requirement to reestimate fair value of the options as of each reporting date under the liability method.

At the completion of the contemplated IPO of National CineMedia, Inc., the public company expects to issue in substitution options of the public company to holders of the outstanding options under the Unit Option Plan, under defined terms and conditions and pursuant to a formula that will be approved at the consummation of the IPO.

12. COMMITMENTS AND CONTINGENCIES

The Company is subject to claims and legal actions in the ordinary course of business. The Company believes such claims will not have a material adverse effect on the Company's financial position or results of operations.

NATIONAL CINEMEDIA, LLC

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 29, 2005, AND SEPTEMBER 28, 2006 AND FOR THE NINE MONTHS ENDED DECEMBER 29, 2005 AND SEPTEMBER 28, 2006
(In millions)

13. QUARTERLY FINANCIAL DATA (UNAUDITED)

	First Quarter	Second Quarter	Third Quarter
		(Dollars in millions)	
2006			
Operations:			
Advertising and other revenue	$ 27.4	$ 57.1	$ 60.7
Expenses	36.8	58.3	61.3
Net (loss)	$ (9.4)	$ (1.2)	$ (0.6)
Balance Sheet:			
Total assets	$ 36.8	$ 64.8	$ 72.2
Members' equity	$ 2.4	$ 1.9	$ 2.1

	Second Quarter	Third Quarter	Fourth Quarter
		(Dollars in millions)	
2005			
Operations:			
Advertising and Other Revenue	$ 25.6	$ 28.6	$ 44.6
Expenses	27.7	30.4	47.6
Income tax provision	—	—	—
Net income (loss)	$ (2.1)	$ (1.8)	$ (3.0)
Balance Sheet:			
Total assets	$ 25.4	$ 32.4	$ 48.8
Stockholders'/Members' equity	$ 5.1	$ 10.4	$ 9.8

14. PRO FORMA BALANCE SHEET (UNAUDITED)

National CineMedia, Inc., a newly formed holding company, has filed a registration statement for an IPO of its common stock. The net proceeds from the offering, estimated to be $674.3 million, will be used to acquire an approximate 40.5% interest in the Company. In connection therewith, the Company intends to effect a recapitalization under which:

- The Company will be recapitalized on a noncash basis with a distribution to the Members of common membership units and preferred membership units for each currently outstanding membership unit.
- The Company will split the newly issued common membership units into the number of units necessary to allow National CineMedia, Inc. to acquire one common membership unit of the Company for each share issued in the IPO and achieve an approximate 40.5% ownership interest in the Company.
- National CineMedia, Inc. will become a member and the managing member of the Company upon its purchase of common membership units as described above at a price per share equal to the IPO offering price of National CineMedia, Inc. common stock, net of underwriting discounts and commissions and offering expenses.
- The Company will pay the proceeds from the sale of common membership units to National CineMedia, Inc. to the Founding Members in consideration of the Members agreeing to change the terms of the exhibitor services agreements. The modifications will change the method by which payments are made under the exhibitor services agreements from a percentage of revenue to a fixed monthly amount per digital screen operated by the founding members plus a charge per theatre patron. Under the modified exhibitor services agreements the amount of payment will be significantly reduced. As the modified exhibitor services agreement contracts represent an intangible asset received from a founder, and in accordance with accounting guidance for payments made to promoters at the time of an initial public offering, the payments to the founding members will be accounted for as a capital distribution.
- Approximately $735.0 million will be borrowed under a new senior credit facility, the net proceeds of which will be used to repay the Company’s existing bank debt and pay approximately $698.5 million to the Founding Members to redeem the newly created preferred membership units.

The pro forma balance sheet presented in the financial statements reflects the impact of the above transactions on the historic balance sheet as if they had occurred on September 28, 2006.

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NATIONAL CINEMEDIA, LLC

CONDENSED STATEMENTS OF OPERATIONS
(In millions)
(unaudited)

	6 months ended September 29, 2005	3 months ended September 29, 2005	3 months ended September 28, 2006
REVENUE:			
Advertising	$ 24.8	$ 15.8	$ 54.9
Administrative fees—Members	23.2	10.4	0.8
Meetings and events	6.1	2.4	4.8
Other	—	—	0.2
Total	54.1	28.6	60.7
EXPENSES:			
Advertising operating costs	3.9	1.7	2.2
Meetings and events operating costs	2.4	0.9	1.5
Circuit share costs—Members	16.8	10.6	38.0
Network costs	5.7	2.9	3.5
Selling and marketing costs	15.1	7.6	9.6
Administrative costs	6.2	3.4	4.1
Severance Plan costs	6.1	2.4	0.7
Depreciation and amortization	1.9	0.9	1.1
Other costs	—	—	0.4
Total	58.1	30.4	61.1
Operating loss	(4.0)	(1.8)	(0.4)
Interest expense, net	—	—	0.2
NET LOSS	$ (4.0)	$ (1.8)	$ (0.6)

See accompanying notes to financial statements.

NATIONAL CINEMEDIA, LLC

NOTES TO CONDENSED FINANCIAL STATEMENTS
(unaudited)

1. THE COMPANY AND BASIS OF PRESENTATION

National CineMedia, LLC (the "Company" or "NCM") provides advertising, business meetings, and event services to its Members under Exhibitor Services Agreements which extend through April 1, 2010. NCM also provides such services to certain third-party theatre circuits under "Network Affiliate Agreements" expiring at various dates through September 16, 2009. The Company operates on a 52-week fiscal year, with the fiscal year ending on the first Thursday after December 25, which in certain years results in a 53-week year. See the footnotes to the Company's audited financial statements included in this prospectus for a description of the transactions by which the Company was formed and capitalized.

As the result of final adjustments to the valuations attributed to the assets and liabilities contributed to the Company at formation, NCN contributed additional cash to NCM during 2006, which was then distributed to RCM Holdings and Cinemark Media, thus having no impact on the assets and liabilities of NCM.

There are currently 1,261 Member units outstanding, of which 630 (50.0%) are owned by RCM Holdings, 370 (29.3%) are owned by NCN, and 261 (20.7%) are owned by Cinemark Media. Should a Liquidity Event as defined in the LLCOA occur, each Member's ownership percentage will be recalculated based upon the percentage of the total Advertising Circuit Share (as defined below) paid in the previous twelve months which was paid to that Member.

NCM has entered into a variety of governance and business arrangements with NCN, RCM Holdings, and Cinemark Media and their affiliates, which are described in the Company's audited financial statements, beginning on page F-2. Capitalized terms as used herein have the same meanings as defined in the audited financial statements.

During 2006, the "Advertising Circuit Share Percentage" was 68%, while in 2005 it was 65%. The Advertising Circuit Share is allocated among the Members based on a formula which takes into account the number of patrons served and screens operated by each Member during the previous quarter. In accordance with the LLCOA, the Advertising Circuit Share Percentage may be changed at the end of each year by a unanimous vote of the Members.

Pursuant to the ESAs, AMC and Regal, through their subsidiaries, retained all advertising contracts sold by NCN's or RCM's sales teams prior to April 1, 2005 and agreed to pay an administrative fee (32% during 2006 and 35% during 2005) to NCM to service these contracts. Cinemark retained all advertising contracts signed pursuant to the Screenvision Agreements again subject to a 32% administrative fee payable to NCM for all revenue generated by these agreements subsequent to December 31, 2005. Total advertising revenue managed by NCM associated with the Legacy Contracts was $66.5 million for the six months ended September 29, 2005, and $29.8 million and $2.5 million for the three month periods ended September 29, 2005 and September 28, 2006, respectively. Administrative fee revenue will decline over time as the Legacy Contracts expire.

Since NCM was not formed until March 29, 2005, there are no nine-month statements of operations or cash flows available for presentation. NCM's balance sheet as of September 29, 2006 and its statements of operations and cash flows are presented in the financial statements beginning on page F-2.

These financial statements are unaudited and are prepared in accordance with the rules and regulations of the Securities and Exchange Commission for interim financial information. The accounting policies used in the preparation of these financial statements are the same as those used in the preparation of the Company's audited financial statements, as modified by accounting standards for interim financial statements. In the opinion of management, all adjustments, consisting only of normal recurring accruals, have been made to present fairly the Company's interim financial position and results of operations.

NATIONAL CINEMEDIA, LLC

NOTES TO CONDENSED FINANCIAL STATEMENTS—(Continued)
(unaudited)

As a result of the various related party agreements, the operating results as presented are not necessarily indicative of the results which would have occurred if all agreements were with non-related third parties.

2. RECENT ACCOUNTING PRONOUNCEMENTS

During June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109." This Interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, "Accounting for Income Taxes," and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This Interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. This Interpretation is effective for fiscal years beginning after December 15, 2006. As a limited liability company, National CineMedia LLC's taxable income or loss is allocated to the Founding Members in accordance with the provisions of our operating documents. However, with the proposed formation of National CineMedia Inc., it will be a taxable entity and will be required to consider this Interpretation as it relates to both itself and the Company's consolidated tax position at NCM Inc. We are currently evaluating the impact the Interpretation may have on its future financial condition, results of operations and cash flows.

During October 2006 the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements." This statement does not require any new fair value measurements but provides guidance on how to measure fair value and clarifies the definition of fair value under GAAP. The statement also requires new disclosures about the extent to which fair value measurements in financial statements are based on quoted market prices, market-corroborated inputs or unobservable inputs that are based on management's judgments and estimates. The statement is effective for fiscal years beginning after November 15, 2007. The statement will be applied prospectively by the Company for any fair value measurements that arise after the date of adoption.

The FASB has also issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106, and 132(R).* As the Company has no plans covered by this standard, it will have no effect on the Company's financial statements.

The SEC has issued Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements* ("SAB 108"), in September 2006. SAB 108 requires entities to quantify misstatements based on their impact on each of their financial statements and related disclosures. SAB 108 is effective as of December 31, 2006. The adoption of this standard is not expected to have an impact on the Company's consolidated results of operations, cash flows or financial position.

3. RELATED PARTY TRANSACTIONS

Circuit share expense and administrative fee revenue by Member during the six months ended September 29, 2005 is as follows:

	Circuit share expense	Administrative fee revenue
AMC	$ 8.5	$ 7.2
Regal	8.3	16.0
Total	$ 16.8	$ 23.2

NATIONAL CINEMEDIA, LLC

NOTES TO CONDENSED FINANCIAL STATEMENTS—(Continued)
(unaudited)

Circuit share expense and administrative fee revenue by Member during the three months ended September 29, 2005 was as follows:

	Circuit share expense	Administrative fee revenue
AMC	$ 4.6	$ 3.4
Regal	6.0	7.0
Total	$ 10.6	$ 10.4

Circuit share expense and administrative fee revenue by Member during the three months ended September 28, 2006 are as follows:

	Circuit share expense	Administrative fee revenue
AMC	$ 11.1	$ —
Cinemark	8.3	—
Regal	18.6	0.8
Total	$ 38.0	$ 0.8

Included in costs of revenue—meetings and events is $0.8 million, $0.2 million and $0.4 million for the six months ended September 29, 2005, the three months ended September 29, 2005 and the three months ended September 28, 2006, respectively, related to purchases of movie tickets and concession products from Regal primarily for resale to NCM's customers. For AMC, $0.1 million of such products were purchased for resale for the three months ended September 28, 2006.

During the three months ended September 28, 2006, AMC and RCI purchased $0.3 million and $0.3 million, respectively, of NCM's advertising inventory for their own use. The value of such purchases are calculated by reference to NCM's advertising rate card and is included in advertising revenue, with 68% of such amounts returned by NCM to the Members as Advertising Circuit Share. There were no such purchases in 2005.

4. EMPLOYEE BENEFIT PLANS

The Company sponsors the National CineMedia LLC 401(k) Profit Sharing Plan (the "plan") under section 401(k) of the Internal Revenue Code of 1986, as amended, for the benefit of substantially all full-time employees. The Company made discretionary contributions of $0.2 million, $0.1 million and $0.1 million during the six months ended September 29, 2005 and the three months ended September 29, 2005 and September 28, 2006, respectively.

In accordance with the RCI Severance Plan for Equity Compensation, payments are made to certain employees of the company who were previously employed by RCM, and who held unvested options to purchase shares of Regal's common stock on the date of their termination from RCM. The Company recorded severance expense of $6.1 million, $2.4 million and $0.7 million for the six months ended September 29, 2005, and the three months ended September 29, 2005 and September 28, 2006, respectively. The Company records the expense as a separate line item in the statements of operations. The amount recorded is not allocated to advertising operating costs, network costs, selling and marketing costs, and administrative costs because the recorded expense is associated with the past performance of Regal's common stock market value rather than

current period performance. The table below presents the estimated allocation of the expense if the Company did allocate it to these specific line items:

	Six months ended September 29, 2005	Three months ended September 29, 2005	Three months ended September 28, 2006
Advertising operating costs	$ 0.1	$ —	$ —
Network costs	0.4	0.1	0.1
Selling and marketing costs	1.2	0.5	0.3
Administrative costs	4.4	1.8	0.3
Total	$ 6.1	$ 2.4	$ 0.7

On April 4, 2006 the Company's Board of Directors approved the National CineMedia, LLC 2006 Unit Option Plan. The options include provisions under which the holders may be able to put the options back to the Company and receive a cash payment based on a formula tied to the attainment of certain operating performance thresholds. Therefore, under Statement of Financial Accounting Standard SFAS No. 123(R), these options will be accounted for as liability rather than equity awards.

For the three month period ended September 28, 2006, the Company issued 1.200 unit options all at an exercise price of $1.5 million. During the three month period ended September 28, 2006, no options were exercised or forfeited, and at September 28, 2006, 25.203 options are outstanding. None of the options have vested.

For the three month periods ended September 28, 2006, the Company recognized $0.8 million of share-based compensation expense for these options. As of September 28, 2006, unrecognized compensation cost related to non-vested options was $12.5 million, which amount will be recognized over a weighted average remaining period of between 63 and 75 months, subject to variability due to the requirement to re-estimate fair value of the options as of each reporting date.

5. COMMITMENTS AND CONTINGENCIES

The Company is subject to claims and legal actions in the ordinary course of business. The Company believes such claims will not have a material adverse effect on the Company's financial position or results of operations.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Members of
National CineMedia, LLC
Centennial, Colorado

We have audited the accompanying balance sheet of Regal CineMedia Corporation ("RCM"), as of December 30, 2004 and the related statements of operations, stockholder's equity, and cash flows for the years ended January 1, 2004, and December 30, 2004, and the three month period ended March 31, 2005. These financial statements are the responsibility of RCM's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Regal CineMedia Corporation as of December 30, 2004 and the results of its operations and its cash flows for the years ended January 1, 2004, and December 30, 2004, and the three month period ended March 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Denver, Colorado
December 20, 2006

REGAL CINEMEDIA CORPORATION

BALANCE SHEET
(In millions, except share data)

	December 30, 2004
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 2.5
Receivables—net	28.8
Prepaid expenses and other current assets	0.5
Deferred income taxes	0.7
Total current assets	32.5
PROPERTY AND EQUIPMENT, net of accumulated depreciation of $6.5 million in 2004	4.2
AMOUNTS DUE FROM PARENT	12.7
TOTAL	$ 49.4
LIABILITIES AND STOCKHOLDER'S EQUITY	
CURRENT LIABILITIES:	
Accounts payable	$ 2.3
Accrued payroll and related expenses	3.3
Accrued expenses	2.9
Deferred revenue	0.4
Total current liabilities	8.9
OTHER LIABILITIES	
Borrowings	0.5
Total other liabilities	0.5
DEFERRED INCOME TAXES	0.5
Total liabilities	9.9
COMMITMENTS AND CONTINGENCIES (Notes 1, 5 and 8)	
STOCKHOLDER'S EQUITY:	
Common stock, $0.001 par value—authorized, issued and outstanding 5,000 shares	—
Additional paid-in capital	22.5
Retained earnings	17.0
Total stockholder's equity	39.5
TOTAL	$ 49.4

See accompanying notes to financial statements.

REGAL CINEMEDIA CORPORATION

STATEMENTS OF OPERATIONS
(In millions)

	Year Ended January 1, 2004	Year Ended December 30, 2004	3 Months Ended March 31, 2005
REVENUE:			
Advertising	$ 65.2	$ 83.6	$ 15.6
Meetings and events	7.0	11.5	2.1
Other	0.2	0.2	0.1
Total	72.4	95.3	17.8
EXPENSES:			
Advertising operating costs	4.4	3.7	0.9
Meetings and events operating costs	2.1	3.9	0.8
Circuit share costs—Members	15.3	16.6	2.4
Network costs	5.0	8.1	2.4
Selling and marketing costs	11.7	15.9	4.4
Administrative costs	10.3	10.8	3.4
Deferred stock compensation	1.4	1.4	0.3
Depreciation and amortization	0.9	1.0	0.4
Total	51.1	61.4	15.0
OPERATING INCOME (LOSS)	21.3	33.9	2.8
PROVISION FOR INCOME TAXES	8.4	13.3	1.1
NET INCOME (LOSS)	$ 12.9	$ 20.6	$ 1.7

See accompanying notes to financial statements.

REGAL CINEMEDIA CORPORATION

STATEMENTS OF STOCKHOLDER'S EQUITY
(In millions)

Statement of Stockholder's Equity	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance—December 26, 2002	$ —	$ 22.5	$ (16.5)	$ 6.0
Net income	—	—	12.9	12.9
Balance—January 1, 2004	—	22.5	(3.6)	18.9
Net income	—	—	20.6	20.6
Balance—December 30, 2004	—	22.5	17.0	39.5
Net income	—	—	1.7	1.7
Balance—March 31, 2005	$ —	$ 22.5	$ 18.7	$41.2

See accompanying notes to financial statements.

REGAL CINEMEDIA CORPORATION

STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended January 1, 2004	Year Ended December 30, 2004	3 Months Ended March 31, 2005
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 12.9	$ 20.6	$ 1.7
Adjustments to reconcile net income (loss) to net cash provided by operating (used in) activities:			
Depreciation and amortization	0.9	1.0	0.4
Deferred stock compensation	1.4	1.4	0.3
Deferred income taxes	0.1	0.5	(0.2)
Changes in operating assets and liabilities:			
Decrease (increase) in receivables—net	(10.6)	(8.2)	13.0
Decrease (increase) in prepaid expenses and other current assets	(0.5)	0.2	(0.1)
Increase (decrease) in accounts payable	0.2	(0.8)	(0.5)
Increase (decrease) in accrued expenses	1.7	2.6	(2.8)
Increase (decrease) in deferred revenue	0.6	(1.5)	0.4
Increase (decrease) in other liabilities	(0.3)	0.1	0.1
Net cash provided by (used in) operating activities	6.4	15.9	12.3
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(1.3)	(2.7)	(1.4)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in due from Parent	(4.7)	(11.2)	(10.6)
Net cash provided by (used in) financing activities	(4.7)	(11.2)	(10.6)
INCREASE IN CASH AND CASH EQUIVALENTS	0.4	2.0	0.3
CASH AND CASH EQUIVALENTS:			
Beginning of period	0.1	0.5	2.5
End of period	$ 0.5	$ 2.5	$ 2.8

See accompanying notes to financial statements.

REGAL CINEMEDIA CORPORATION

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2004, AND FOR THE YEARS ENDED JANUARY 1, 2004 AND DECEMBER 30, 2004, AND FOR THE THREE MONTHS ENDED MARCH 31, 2005

(In millions)

1. THE COMPANY AND BASIS OF PRESENTATION

RCM provided advertising, business meetings, and event services to Regal Entertainment Group and its subsidiaries ("Regal"). RCM also provided advertising services to one theatre circuit under a "Network Affiliate Agreement" expiring in September 2009.

RCM was formed in February, 2002 and became a wholly-owned subsidiary of Regal on April 12, 2002. As a subsidiary of Regal, certain services (such as information technology and human resources support and payroll processing) were provided to RCM at no cost, and RCM incurred certain network support and maintenance costs on behalf of Regal which are unrelated to RCM's businesses. Additionally, RCM managed certain businesses other than as described above on behalf of Regal. In order to present RCM's financial statements on a comparable basis with that of NCM, the operating results of those businesses which were not contributed to NCM are not included in the financial statements of RCM, and certain assets which were not contributed to NCM have also been excluded from these financial statements. In order to present RCM on a "stand-alone" basis, allocated costs of those services provided at no charge by Regal have been estimated based on similar costs incurred subsequent to formation and included in these financial statements, and costs of services provided to Regal by RCM which were unrelated to the businesses operated by RCM have been excluded from these financial statements. Management believes the estimates and adjustments are reasonable.

As a result of the various related party agreements with Regal, the operating results as presented are not necessarily indicative of the results that would have occurred if all agreements were with non-related third parties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Revenue Recognition*—**Advertising revenue is recognized in the period in which an advertising contract is fulfilled against the contracted theatre attendees. Deferred revenue refers to the unearned portion of advertising contracts. All deferred revenue is classified as a current liability. Meetings and events revenue is recognized in the period in which the event was held.

***Operating Costs*—**Advertising-related operating costs primarily include personnel and other costs related to advertising fulfillment and, to a lesser degree production costs of non-digital advertising. and payments due to unaffiliated theatres circuits under the "Network Affiliate Agreement".

Meeting and event operating costs include equipment rental, catering, movie tickets acquired primarily from the theatre circuits, and other direct costs of the meeting or event.

Circuit share costs are fees payable to Regal for the right to exhibit advertisements within the theatres.

Network costs include personnel, satellite bandwidth, repairs, and other costs of maintaining and operating the digital network and preparing advertising and other content for transmission across the digital network. These costs may be applicable to either the advertising or the meetings and events business lines.

***Cash and Equivalents*—**All highly liquid debt instruments and investments purchased with a remaining maturity of three months or less are classified as cash equivalents. Periodically these are cash balances in a bank in excess of the federally insured limits or in the form of a money market demand account with a major financial institution.

REGAL CINEMEDIA CORPORATION

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 31, 2004, AND FOR THE YEARS ENDED JANUARY 1, 2004
AND DECEMBER 30, 2004, AND FOR THE THREE MONTHS ENDED MARCH 31, 2005
(In millions)

***Receivables*—**Bad debts are provided for using the allowance for doubtful accounts method based on historical experience and management's evaluation of outstanding receivables at the end of the year. Trade accounts receivable are uncollateralized and represent a large number of geographically dispersed debtors, none of which are individually material.

***Property and Equipment*—**Property and equipment is stated at cost. Major renewals and improvements are capitalized, while replacements, maintenance, and repairs that do not improve or extend the lives of the respective assets are expensed currently. In general, the equipment associated with the digital network that is located within the theatre is owned by the theatres, while equipment outside the theatre is owned by RCM. RCM records depreciation and amortization using the straight-line method over the following estimated useful lives:

Equipment	4–10 years
Computer hardware and software	3–5 years
Leasehold improvements	Lesser of lease term or asset life

***Due from Parent*—**Amounts Due from Parent result primarily from the remittance of excess cash balances by RCM to the Parent. These amounts are non-interest-bearing, and are recorded as non-current assets as there is no intent that these will be repaid in the next twelve months.

***Income Taxes*—**Income taxes are accounted for by RCM 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. In addition, income tax rules and regulations are subject to interpretation and require judgment and may be challenged by the taxation authorities. RCM established accruals relative to tax uncertainties that management deems to be probable of loss and that can be reasonably estimated. 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. A valuation allowance is recorded if it is deemed more likely than not that its deferred income tax assets will not be realized. RCM reassesses its need for the valuation allowance for its deferred income taxes on an ongoing basis.

***Stock-Based Compensation*—**In December 2002, the FASB issued SFAS No. 148, *Accounting for Stock-Based Compensation—Transition and Disclosure*. SFAS No. 148 amends SFAS No. 123, *Accounting for Stock- Based Compensation*, to provide alternative methods of transition for a voluntary change to SFAS No. 123's fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 and APB Opinion No. 28, *Interim Financial Reporting*, to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. Under SFAS No. 123, entities are permitted to recognize as expense the fair value of all stock-based awards on the date of grant over the vesting period and alternatively allows entities to continue to apply the provisions of APB Opinion No. 25, *Accounting for Stock Issued to Employees* and related interpretations, and provide pro forma net income or loss and earnings or loss per share disclosures as if the fair-value-based method defined in SFAS No. 123 had been applied. In December 2004, the FASB revised SFAS 123 with SFAS 123(R), *Share-Based Payment*. SFAS 123(R) eliminates the intrinsic value-based method and requires all entities to recognize compensation expense in an amount equal to the fair value of share based payments granted to employees.

REGAL CINEMEDIA CORPORATION

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 31, 2004, AND FOR THE YEARS ENDED JANUARY 1, 2004
AND DECEMBER 30, 2004, AND FOR THE THREE MONTHS ENDED MARCH 31, 2005
(In millions)

Certain employees participated in the 2002 Regal Entertainment Group Stock Incentive Plan. As permitted by SFAS No. 123, RCM accounted for the cost of these stock option grants (the "Incentive Plan") using the intrinsic value method in accordance with the provisions of APB No. 25, which requires compensation costs to be recognized for the excess of the fair value of options on the date of grant over the option exercise price. Had the fair value of options granted under the Stock Incentive Plan described in Note 7— "Stock Option Plan" been recognized in accordance with SFAS No. 123, as compensation expense on a straight-line basis over the vesting period of the grants, RCM's reported net income would have been recorded in the amounts indicated below:

	Fiscal 2003	Fiscal 2004	13-Weeks Ended March 31, 2005
Net income—as reported	$12.9	$20.6	$ 1.7
Add stock-based compensation recognized, net of related tax effects	0.9	0.9	0.2
Less stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(2.0)	(2.2)	(0.5)
Pro forma net income	$11.8	$19.3	$ 1.4

The pro forma results do not purport to indicate the effects on reported net income for recognizing compensation expense that is expected to occur in future years. The fair value of each option grant is estimated on the date of grant using (1) the minimum value method for options granted prior to the exchange transaction and (2) the Black-Scholes option pricing model for the exchanged options and all options issued after the exchange transaction.

The weighted-average grant-date fair value of options granted in fiscal 2003, fiscal 2004 and the thirteen weeks ended March 31, 2005, were estimated using the Black-Scholes option pricing model with the following assumptions:

	Fiscal 2003	Fiscal 2004
Risk-free interest rate	3.0-3.9%	4.3%
Expected life (years)	7.5	7.5
Expected volatility	38%–39%	39%
Expected dividend yield	3.0%	4.5%
Weighted average grant date fair value	$ 6.36	$5.01

No stock options were granted during the thirteen weeks ended March 31, 2005 under the 2002 Regal Entertainment Group Stock Incentive Plan.

Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include those related to the reserve for uncollectible accounts receivable, deferred revenue, income taxes and equity based compensation. Actual results could differ from those estimates.

REGAL CINEMEDIA CORPORATION

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 31, 2004, AND FOR THE YEARS ENDED JANUARY 1, 2004
AND DECEMBER 30, 2004, AND FOR THE THREE MONTHS ENDED MARCH 31, 2005
(In millions)

3. RECEIVABLES

Receivables consisted of the following at December 30, 2004:

	December 30, 2004
Trade accounts	$ 28.3
Other	1.0
Less allowance for doubtful accounts	(0.5)
Total	$ 28.8

4. INCOME TAXES

RCM's taxable income and expenses are included in the consolidated Federal and state (other than in those states requiring unitary tax returns) tax returns of Regal and amounts payable related to income tax expense are settled as part of the net Amounts Due from Parent.

The components of the provision for income taxes are as follows:

	Fiscal 2003	Fiscal 2004	13-Weeks Ended March 31, 2005
Federal:			
Current	$ 7.0	$10.8	$ 1.2
Deferred	0.1	0.4	(0.2)
	7.1	11.2	1.0
State:			
Current	1.3	2.0	0.1
Deferred	—	0.1	—
	1.3	2.1	0.1
Total income tax provision	$ 8.4	$13.3	$ 1.1

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:

	Fiscal 2003	Fiscal 2004	13-Weeks Ended March 31, 2005
Provision calculated at federal statutory income tax rate	$ 7.5	$11.9	$ 1.0
State and local income taxes—net of federal benefit	0.8	1.3	0.1
Other	0.1	0.1	—
Total income tax provision	$ 8.4	$13.3	$ 1.1

REGAL CINEMEDIA CORPORATION

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 31, 2004, AND FOR THE YEARS ENDED JANUARY 1, 2004
AND DECEMBER 30, 2004, AND FOR THE THREE MONTHS ENDED MARCH 31, 2005
(In millions)

Significant components of the net deferred tax asset at December 30, 2004, consisted of the following:

Deferred tax assets:	
Deferred rent	$ 0.2
Allowance for bad debts	0.2
Stock options	0.5
Total deferred tax assets	0.9
Valuation allowance	0.0
Total deferred tax assets—net of valuation allowance	0.9
Deferred tax liabilities—excess of book basis over tax basis of fixed assets	(0.7)
Net deferred tax assets (liability)	$ 0.2

In assessing the valuation 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. RCM has not recorded a valuation allowance against deferred tax assets at December 30, 2004, as management believes it is not more likely than not that such deferred tax asset amounts would not be realized in future tax periods.

5. LEASE OBLIGATIONS

The Company leases office facilities for its headquarters in Centennial, Colorado and also in various cities for its sales and marketing personnel as sales offices. The Company has no capital lease obligations. Total lease expense for fiscal 2003, fiscal 2004, and the thirteen weeks ended March 31, 2005 was $1.3 million, $1.3 million, and $0.7 million, respectively.

Future minimum lease payments under noncancelable operating leases are as follows:

2006 (fourth quarter)	$0.4
2007	1.6
2008	1.6
2009	1.5
2010	1.2
2011	1.3
Thereafter	2.3
Total	$9.9

In connection with the formation of NCM, all office leases to which RCM was a party were transferred to NCM, and RCM bears no financial responsibility for payments under these leases.

6. EMPLOYEE BENEFIT PLANS

RCM participated in the Regal Entertainment Group 401(k) Profit Sharing Plan (the “plan”) under section 401(k) of the Internal Revenue Code of 1986, as amended, for the benefit of substantially all full-time

REGAL CINEMEDIA CORPORATION

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 31, 2004, AND FOR THE YEARS ENDED JANUARY 1, 2004
AND DECEMBER 30, 2004, AND FOR THE THREE MONTHS ENDED MARCH 31, 2005
(In millions)

employees. The plan provides that participants may contribute up to 20% of their compensation, subject to Internal Revenue Service limitations. Employee contributions are invested in various investment funds based upon elections made by the employee. RCM made discretionary contributions of $0.1 million, $0.2 million, and $0.1 million during fiscal 2003, fiscal 2004, and the thirteen weeks ended March 31, 2005, respectively. Subsequent to the formation of NCM, all RCM participants in the Regal 401(k) plan became participants in the NCM 401(k) plan.

7. STOCK OPTION PLAN

Certain employees participated in the 2002 Regal Entertainment Group Stock Incentive Plan while employees of RCM. Stock option grants were made at exercise prices not less than the fair market value as of the date of grant and were exercisable in installments of 20% per year. For the years ended January 1, 2004, December 30, 2004, and the three months ended March 31, 2005, RCM recorded administrative compensation expense related to these stock options of $1.4 million, $1.4 million and $0.3 million, respectively, related to such options.

In connection with the July 1, 2003, and June 2, 2004, extraordinary cash dividends paid by Regal and pursuant to the antidilution adjustment terms of the Incentive Plan, the exercise price and the number of shares of common stock subject to options were adjusted to prevent dilution and restore their economic position to that existing immediately before the extraordinary dividends. Stock option information presented herein has been adjusted to give effect to the extraordinary dividends. There were no accounting consequences for changes made to reduce the exercise prices and increase the number of shares underlying options as a result of the extraordinary cash dividends because (1) the aggregate intrinsic value of the awards immediately after the extraordinary dividends was not greater than the aggregate intrinsic value of the awards immediately before the extraordinary dividends and (2) the ratio of the exercise price per share to the market value per share was not reduced.

The following table summarizes information about stock options outstanding held by RCM employees:

	Options Outstanding	Weighted Average Exercise Shares Price	Weighted Average Grant Date Fair Value	Options Exercisable at Year End
Under option—December 26, 2002	3,399,682	$ 8.02	$ —	90,116
Options granted in 2003 at fair value	541,018	12.89	4.19	—
Options exercised in 2003	(549,742)	5.52	—	—
Options canceled in 2003	(130,507)	13.72	—	—
Under option—January 1, 2004	3,260,451	9.02	—	269,332
Options granted in 2004 at fair value	116,750	17.83	5.01	—
Options exercised in 2004	(801,189)	7.20	—	—
Options canceled in 2004	(81,563)	15.08	—	—
Under option—December 30, 2004	2,494,449	9.82	—	291,793
Options exercised in 2005	(74,888)	9.50	—	—
Options canceled in 2005	(6,480)	16.69	—	—
Under option—March 31, 2005	2,413,081	$ 9.81	—	707,549

REGAL CINEMEDIA CORPORATION

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 31, 2004, AND FOR THE YEARS ENDED JANUARY 1, 2004
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(In millions)

The following table summarizes information about the Plan's stock options at March 31, 2005, including the weighted average remaining contractual life and weighted average exercise price:

	Options Outstanding			Options Exercisable	
Range of Exercise Price	Number Outstanding at March 31, 2005	Weighted Average Contractual Life	Weighted Average Exercise Price	Number Exercisable at March 31, 2005	Weighted Average Exercise Price
$2.69–$5.38	782,837	7.09	$ 3.09	393,039	$ 3.09
$7.80–$11.51	752,095	7.39	11.11	114,856	10.21
$12.24–$17.83	878,149	7.62	14.69	199,654	14.23
	2,413,081	7.38	$ 9.81	707,549	$ 7.39

During the first quarter of fiscal 2005, Regal granted restricted stock awards to certain officers and key employees of RCM. Under the restricted stock program, common stock of Regal was granted at no cost to officers and key employees, subject to a continued employment restriction. The restriction is fulfilled upon continued employment for a specified number of years (typically four years after the award date) and as such restrictions lapse, the award immediately vests. 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. On February 11, 2005, 75,170 shares were granted under the restricted stock program at a share price of $19.90 per share. Unearned compensation of approximately $1.5 million (equivalent to the market value at the date of grant) will be amortized to expense over the restriction period.

In connection with the formation of National CineMedia, on May 11, 2005, Regal Cinemas, Inc. ("RCI", a wholly-owned subsidiary of Regal) adopted and approved the RCI Severance Plan for Equity Compensation (the "Severance Plan"). Participation in the Severance Plan is limited to employees of RCM, who held unvested options to purchase shares of Regal's common stock or unvested shares of Regal's restricted common stock pursuant to the terms of the Incentive Plan immediately prior to such employee's termination of employment with RCM and commencement of employment with National CineMedia. Each employee's termination of employment with RCM was effective as of the close of business on May 24, 2005, and commencement of employment with National CineMedia was effective as of the next business day on May 25, 2005. (Between April 1, 2005 and May 24, 2005, NCM was billed for the costs of these employees' compensation and related benefits.) Under the terms of and subject to the conditions of the Severance Plan, each eligible employee who participates in the Severance Plan (a "Participant") is, at the times set forth in the Severance Plan, entitled to a cash payment equal to (1) with respect to each unvested stock option held on May 24, 2005, the difference between the exercise price of such unvested option and $20.19 (the fair market value of a share of Regal's common stock on May 24, 2005, as calculated pursuant to the terms of the Severance Plan) and (2) with respect to each unvested share of restricted stock, $20.19 (the fair market value of a share of Regal's common stock on May 24, 2005, as calculated pursuant to the terms of the Severance Plan). In addition, the Severance Plan provides that each Participant who held unvested shares of restricted stock on May 24, 2005, will be entitled to receive payments in lieu of dividend distributions in an amount equal to the per share value of dividends paid on Regal's common stock times the number of shares of such restricted stock. Each such Participant will receive these payments in lieu of dividend distributions until the date that each such Participant's restricted stock would have vested in accordance with the Incentive Plan. Solely for purposes of the calculation of such payments with respect to restricted stock, in the event of any stock dividend, stock split or other change in the corporate structure affecting Regal's common stock, there shall be an equitable proportionate adjustment to the number of shares of restricted stock held by each Participant immediately prior to his or her termination of employment with RCM.

REGAL CINEMEDIA CORPORATION

NOTES TO FINANCIAL STATEMENTS—(Continued)
AS OF DECEMBER 31, 2004, AND FOR THE YEARS ENDED JANUARY 1, 2004
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(In millions)

Each Participant's cash payment will vest according to the year and date on which such unvested options and restricted stock held by such Participant would have vested pursuant to the terms of the Incentive Plan and the related award agreement had employment with RCM not ceased. The Severance Plan is a change in terms of the Regal options and restricted stock, resulting in a new measurement date for these equity compensation arrangements. The total cost of the Severance Plan, including payments in lieu of dividend distributions on restricted stock, is estimated to be in the range of approximately $15.0 million to $16.0 million. As the Severance Plan provides for payments over future periods that are contingent upon continued employment with NCM, the cost of the Severance Plan will be recorded as an expense over the remaining required service periods. As expenses recognized, Regal, which is funding payments under the Severance Plan, is credited with a capital contribution.

8. COMMITMENTS AND CONTINGENCIES

The Company is subject to claims and legal actions in the ordinary course of business. The Company believes such claims will not have a material adverse effect on the Company's financial position or results of operations.

* * * * * *

REPORT OF REGISTERED INDEPENDENT PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of
National Cinema Network, Inc.
Kansas City, Missouri

We have audited the accompanying balance sheet of National Cinema Network, Inc. (a wholly owned subsidiary of AMC Entertainment Inc.) as of March 31, 2005 and the related statements of operations, stockholder's equity, and cash flows for the period December 24, 2004 through March 31, 2005 (Successor Company operations), and for the period April 2, 2004 through December 23, 2004 and the year ended April 1, 2004 (Predecessor Company operations). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of National Cinema Network, Inc. as of March 31, 2005 and the results of its operations and its cash flows for the period December 24, 2004 through March 31, 2005, in conformity with accounting principles generally accepted in the United States of America. Further, in our opinion, the Predecessor Company financial statements, referred to above, present fairly, in all material respects, the results of its operations and its cash flows for the period April 2, 2004 through December 23, 2004, and the year ended April 1, 2004, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Denver, Colorado
December 20, 2006

NATIONAL CINEMA NETWORK, INC.

BALANCE SHEET
(In millions, except share data)

	March 31, 2005 (Successor)
ASSETS	
CURRENT ASSETS:	
Receivables—net	$ 20.1
Prepaid expenses and other current assets	0.3
Total current assets	20.4
PROPERTY AND EQUIPMENT, net of accumulated depreciation of $7.9	0.7
OTHER ASSETS:	
Intangible assets, net	9.7
Goodwill	30.0
Total other assets	39.7
TOTAL	$ 60.8
LIABILITIES AND STOCKHOLDER'S EQUITY	
CURRENT LIABILITIES:	
Accounts payable	$ 1.2
Accrued expenses	11.2
Intercompany due to parent	48.0
Total current liabilities	60.4
OTHER LIABILITIES	
Long-term liabilities	0.3
Total other liabilities	0.3
Total liabilities	60.7
COMMITMENTS AND CONTINGENCIES (Note 7)	
STOCKHOLDER'S EQUITY:	
Common stock, $1 par value—authorized, issued and outstanding 1,000 shares	—
Additional paid-in capital	1.0
Accumulated deficit	(0.9)
Total stockholder's equity	0.1
TOTAL	$ 60.8

See accompanying notes to financial statements.

NATIONAL CINEMA NETWORK, INC.

STATEMENTS OF OPERATIONS
(in millions)

	52 weeks ended April 1, 2004 (Predecessor)	April 2, 2004 through December 23, 2004 (Predecessor)	December 24, 2004 through March 31, 2005 (Successor)
REVENUE	$ 69.9	$ 56.5	$ 15.5
EXPENSES:			
Circuit costs—Related Party	18.7	18.6	5.5
Advertising operating costs	17.9	11.3	3.5
Network costs	1.6	2.3	1.1
Selling and marketing expense	15.1	10.0	3.2
General and administrative	9.5	6.1	1.9
Office closure expense	0.5	0.3	—
Restructuring charge	1.0	—	0.8
Depreciation and amortization	2.4	0.9	1.0
Loss (gain) on disposition of assets	(0.1)	(0.3)	—
Total	66.6	49.2	17.0
EARNING (LOSS) BEFORE INCOME TAXES	3.3	7.3	(1.5)
INCOME TAX EXPENSE (BENEFIT)	1.4	3.0	(0.6)
NET INCOME (LOSS)	$ 1.9	$ 4.3	$ (0.9)

See accompanying notes to financial statements.

NATIONAL CINEMA NETWORK, INC.

STATEMENTS OF STOCKHOLDER'S EQUITY
(In millions except share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total Stockholder's Equity
	Shares	Amount				
Predecessor From April 3, 2003 Through December 23, 2004						
BALANCE—April 3, 2003	1,000	$ —	$ 1.0	$ —	$ (1.7)	$ (0.7)
Comprehensive loss—net income	—	—	—	—	1.9	1.9
BALANCE—April 1, 2004	1,000	—	1.0	—	0.2	1.2
Comprehensive loss—net income	—	—	—	—	4.3	4.3
BALANCE—Prior to merger transaction	1,000	—	1.0	—	4.5	5.5
Elimination of Predecessor Company stockholder's equity	(1,000)	—	(1.0)	—	(4.5)	(5.5)
BALANCE—December 23, 2004	—	$ —	$ —	$ —	$ —	$ —
Successor From Inception on December 24, 2004 Through March 31, 2005						
BALANCE—December 24, 2004	—	$ —	$ —	$ —	$ —	$ —
Comprehensive loss—net loss	—	—	—	—	(0.9)	(0.9)
Capital contribution	—	—	—	—	—	
AMC Entertainment Inc.	1,000	—	1.0	—	—	1.0
BALANCE—March 31, 2005	1,000	$ —	$ 1.0	$ —	$ (0.9)	$ 0.1

See accompanying notes to financial statements.

NATIONAL CINEMA NETWORK, INC.

STATEMENTS OF CASH FLOWS
(in millions)

	52 weeks ended April 1, 2004 (Predecessor)	April 2, 2004 through December 23, 2004 (Predecessor)	December 24, 2004 through March 31, 2005 (Successor)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 1.9	$ 4.3	$ (0.9)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Stock-based compensation	0.4	—	—
Deferred income taxes	(0.9)	(0.7)	(0.3)
Depreciation and amortization	2.4	0.9	1.0
Loss (gain) on disposition of assets	(0.1)	(0.3)	—
Changes in assets and liabilities:			
Receivables	(1.0)	(11.9)	6.1
Other assets	0.5	0.7	0.5
Accounts payable	(2.6)	—	(0.1)
Accrued expenses and other liabilities	0.5	4.9	(3.8)
Net cash provided by (used in) operating activities	1.1	(2.1)	2.5
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(0.1)	—	—
Proceeds from disposition of long-term assets	0.4	0.4	0.1
Net cash provided by investing activities	0.3	0.4	0.1
CASH FLOWS FROM FINANCING ACTIVITIES—Increase (decrease) in Due from Parent	(1.4)	1.7	(2.6)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	—	—	—
CASH AND EQUIVALENTS—Beginning of year	—	—	—
CASH AND EQUIVALENTS—End of year	$ —	$ —	$ —
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION—Cash paid for income taxes	$ —	$ 0.2	$ 0.2

See accompanying notes to financial statements.

NATIONAL CINEMA NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS
PERIODS ENDED MARCH 31, 2005, DECEMBER 23, 2004, AND APRIL 1, 2004

1. THE COMPANY AND BASIS OF PRESENTATION:

National Cinema Network, Inc. ("NCN" or the "Company"), a wholly owned subsidiary of AMC Entertainment Inc. ("AMC"), is principally involved in "in-theatre advertising." NCN provides both a slide program and a "Pre-Show Countdown" program. The slide program is comprised of "On-Screen Entertainment" (such as trivia questions and facts) and commercial advertising. This program runs before feature films. The "Pre-Show Countdown" program is on-screen advertising intended to run during the seating period immediately prior to the advertised show time. The Company also provides: in-theatre audio which is played in the theatre complex; internet advertising; and other promotional in-theatre products. Programs run in theatres throughout the United States.

Effective April 1, 2005, AMC and Regal Entertainment Group ("REG") combined their respective cinema screen advertising businesses into a new joint venture (the "Joint Venture") company called National CineMedia, LLC ("NCM"). The new company engages in the marketing and sale of cinema advertising and promotions products; business communications and training services; and the distribution of digital alternative content. AMC contributed fixed assets and exhibitor agreements of NCN to NCM. In consideration of the NCN contributions described above, NCM, issued a 37% interest in its Class A units to NCN. Subsequent to March 31, 2005, NCM received a $7.3 million cash contribution from Cinemark Media Inc. for an ownership interest in NCM, reducing NCN's ownership interest in the Joint Venture to 29%.

The financial statements include the accounts of the NCN business contributed to NCM, and exclude the accounts of its subsidiary, National Cinema Network of Canada, Inc., and other minor business activities not contributed to NCM.

AMC completed a merger on December 23, 2004, in which Marquee Holdings Inc. ("Holdings") acquired AMC (the "Predecessor"). Upon the consummation of the merger between Marquee and AMC on December 23, 2004, Marquee merged with and into AMC, with AMC as the surviving reporting entity (the "Successor"). The merger was treated as a purchase with Marquee being the "accounting acquirer" in accordance with Statement of Financial Accounting Standards No. 141 *Business Combinations.* As a result, the Successor applied the purchase method of accounting to the separable assets, including goodwill, and liabilities of the accounting acquiree, AMC and its subsidiaries, including NCN, as of December 23, 2004. The financial statements presented herein reflect the Successor's application of purchase accounting for the period from December 24, 2004 through March 31, 2005.

Fiscal Year—The Company has a 52/53 week fiscal year ending on the Thursday closest to the last day of March. Both the 2005 and 2004 fiscal years reflect a 52 week period, with fiscal 2005 being separated into NCN as subsidiary of Successor for the 14 weeks from December 24, 2004 through March 31, 2005, and NCN as subsidiary of Predecessor for the 38 weeks from April 2, 2004 through December 23, 2004.

2. SIGNIFICANT ACCOUNTING POLICIES:

***Receivables*—**Bad debts are provided for using the allowance for doubtful accounts method based on historical experience and management's evaluation of outstanding receivables at the end of the year. Trade accounts receivable are uncollateralized and represent a large number of geographically dispersed debtors, none of which are individually material.

***Property and Equipment*—**Property and equipment is stated at cost. Major renewals and improvements are capitalized, while replacements, maintenance, and repairs that do not improve or extend the lives of the respective assets are expensed currently. In general, the equipment associated with the digital network that is

located within the theatre is owned by the theatres, while equipment outside the theatre is owned by the Company. The Company records depreciation and amortization using the straight-line method. The estimated useful lives are generally three to ten years.

Revenue Recognition and Circuit Agreements—The Company recognizes revenue related to on-screen advertising over the period the related advertising is delivered on-screen or in-theatre pursuant to the specific terms of its agreements with advertisers. NCN operates its advertising program through agreements with AMC and with other theatre circuits. These circuit agreements stipulate the amount of circuit payments a theatre will receive for running on-screen slides, on-film programs and other related in-theatre products and services. The Company's circuit agreements have terms of 1 to 5 years, with an annual cancellation provision included in select agreements. Certain circuits have agreements requiring an annual minimum exhibitor share payment. The Company recognizes the minimum exhibitor share payments as an expense on a straight-line basis over the terms of the agreements and any excess minimum exhibitor share payments are recognized when earned.

Office Closure Expense and Restructuring Charges—Office closure expense is primarily related to payments made or expected to be made to landlords to terminate a lease for office space that has been vacated. Offices are closed due to initiatives to reduce overhead costs by integrating the Company's administrative functions into AMC's home office location. Office closure expense is recognized at the time the office is vacated. Expected payments to landlords are accrued in full based on actual lease terms at discounted contractual amounts. Accretion expense for exit activities are included as a component of the office closure expense.

The Company recognizes restructuring charges based on the nature of the costs incurred. Costs resulting from one-time termination benefits where employees are not required to render future services are recognized as a liability when management commits to a plan of termination which identifies the number of employees to be terminated, their job classifications, locations, expected termination dates, date when the plan is to be communicated to the employees, and establishes the detailed terms of the benefits to be received by employees.

If employees are required to render service until they are terminated in order to receive the termination benefits, the benefits are measured at the fair value of the costs and related liabilities at the communication date and are recognized ratably over the future service period from the communication date.

In March 2005, the Company recorded $0.8 million as a restructuring charge related to one-time termination benefits in connection with the announcement of the Joint Venture. During the period ended April 1, 2004, the Company recorded restructuring charges of $1.0 million primarily related to one-time termination benefits in connection with an initiative to reduce overhead costs by integrating the Company's administrative functions into AMC's home office location.

Income Taxes—The Company joins with AMC in filing a consolidated U.S. Corporation Income Tax return and, in certain states, consolidated state income tax returns. With respect to the consolidated federal and state income tax returns, the Company accrues income taxes to AMC as if the Company filed separate federal and state income tax returns. Accordingly, the Company's provision for income taxes is computed as if it filed separate income tax returns. Income taxes are calculated in accordance with Statement of Financial Accounting Standards No. 109 ("SFAS 109"), *Accounting for Income Taxes*. The statement requires that deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations.

NATIONAL CINEMA NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS—(Continued)
PERIODS ENDED MARCH 31, 2005, DECEMBER 23, 2004, AND APRIL 1, 2004

Long-Lived Assets, Including Goodwill and Other Acquired Intangible Assets

The Company evaluates the carrying value of long-lived assets, excluding goodwill, at least annually for impairment or when events and circumstances indicate the carrying amount of an asset may not be recoverable. For the year ended March 31, 2005, no such events or circumstances were identified. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flows from such asset (or asset group) are separately identifiable and less than the asset's (or asset group's) carrying value. In that event, a loss is recognized to the extent that the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. For the year ended March 31, 2005, the Company made no material adjustments to its long-lived assets.

Goodwill and other indefinite lived intangible assets are not subject to amortization, but are subject to an impairment test at least annually or more frequently if events or circumstances indicate that impairment might exist. The Company has not yet finalized its allocation of the purchase price in the merger with Holdings, and accordingly has not yet been required to complete an annual impairment analysis of its goodwill. SFAS No. 142, "Goodwill and Other Intangible Assets", also requires that intangible assets with definite lives be amortized over their estimated useful lives and reviewed for impairment in accordance with SFAS No. 144, "Accounting for the Impairment of Long-Lived Assets to Be Disposed Of." The Company is currently amortizing its acquired intangible assets with finite lives over periods ranging from one to five years.

Stock-based Compensation—The Company accounts for the stock options, restricted stock awards and deferred stock units under plans that AMC sponsors following the recognition and measurement provisions of APB Opinion No. 25, *Accounting for Stock issued to Employees* ("APB No. 25") and related interpretations. Stock-based employee compensation expense related to restricted stock awards and deferred stock units of $0.4 million was reflected in net income for fiscal 2004. There was no stock-based employee compensation expense related to restricted stock awards and deferred stock units for either period of fiscal 2005. No stock-based employee compensation expense for stock options was reflected in net income for fiscal 2005 and 2004, as all stock options granted under those plans had an exercise price equal to the fair market value of the underlying common stock on the date of grant.

The following table illustrates the effect on net income as if the fair value method had been applied to all stock awards and outstanding and unvested options in 2004 (in millions):

	52 weeks ended April 1, 2004 (Predecessor)	April 2, 2004 through December 23, 2004 (Predecessor)	December 24, 2004 through March 31, 2005 (Successor)
Net income:			
As reported	$ 1.9	$ 4.3	$ (0.9)
Add stock based compensation expense included in reported net income—net of related tax effects	0.2	—	—
Deduct total stock-based compensation expense determined under fair value method for all awards	(0.2)	—	—
Pro forma	$ 1.9	$ 4.3	$ (0.9)

Income Taxes—The Company joins with AMC in filing a consolidated U.S. Corporation Income Tax return and, in certain states, consolidated state income tax returns. With respect to the consolidated federal and state income tax returns, the Company accrues income taxes to AMC as if the Company filed separate federal and

state income tax returns. Deferred income taxes are provided to reflect the impact of temporary differences between the amount of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations.

Capitalization of Internal Software Costs—In accordance with Statement of Position 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use*, the Company capitalizes internally developed software costs. The costs are amortized on a straight-line basis over two years. Amortization for internal software costs was $-, $0.1 million and $0.6 million for the Successor period ended March 31, 2005, and the Predecessor periods ended December 23, 2004, and April 1, 2004, respectively.

Advertising—The Company expenses advertising costs as incurred. Advertising expense was $0.2 million, $0.5 million and $1.1 million for the Successor period ended March 31, 2005, and the Predecessor periods ended December 23, 2004, and April 1, 2004, respectively, which is included in selling and marketing and in general and administrative expenses.

Use of Estimates—The preparation of financial statements in conformity with 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates used in the financial statements include estimates related to allowance for doubtful accounts, deferred revenue, income taxes and the valuation of long-lived assets including goodwill.

3. RECEIVABLES

Receivables consisted of the following at March 31, 2005 (in millions):

	March 31, 2005
Trade accounts	$ 20.4
Less allowance for doubtful accounts	(0.3)
Total	$ 20.1

4. INTANGIBLE ASSETS AND GOODWILL

The Company is currently amortizing its acquired intangible assets with finite lives over periods ranging from one to five years. The following table summarizes the components of gross and net intangible asset balances (in millions):

	March 31, 2005		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Advertising relationships	$ 7.2	$ (0.6)	$ 6.6
Advertising backlog	2.9	(0.4)	2.5
Circuit share agreements	2.4	(0.1)	2.3
Unfavorable circuit share agreements	(2.3)	0.6	(1.7)
Total	$ 10.2	$ (0.5)	$ 9.7

NATIONAL CINEMA NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS—(Continued)
PERIODS ENDED MARCH 31, 2005, DECEMBER 23, 2004, AND APRIL 1, 2004

Expected annual amortization expense related to acquired intangible assets is as follows (in millions):

For fiscal years:	
2006	$2.7
2007	4.0
2008	2.2
2009	0.5
2010 and thereafter	0.3
Total expected amortization expense	$9.7

Amortization expense related to acquired intangible assets was $0.5 million for the period from December 24, 2004 (acquisition date) to March 31, 2005.

The following table summarizes the goodwill activity for the year ended March 31, 2005 (in millions):

	Total
Balance as of April 2, 2004	$ 0.0
Goodwill	30.0
Balance as of March 31, 2005	$ 30.0

There were no impairments of goodwill recognized for the year ended March 31, 2005.

5. RELATED PARTY TRANSACTIONS:

The Company's revenue is generated from approximately 5,000 theatre screens of which 63% are AMC screens. The total amount of slide and digital revenue earned from AMC screens for the Successor period ended March 31, 2005, was $5.2 million or 34% of the Company's revenue. The total amount of Pre-Show revenue earned from AMC screens during the Successor period was $4.9 million or 32% of the Company's revenue. The total amount of other in-theatre revenue earned from AMC screens for the Successor period was $2.3 million or 15% of the Company's revenue. The AMC portion of circuit costs incurred by the Company for the Successor period was $5.5 million.

The total amount of slide and digital revenue earned from AMC screens during the Predecessor period ended December 23, 2004, was $16.4 million or 29% of the Company's revenue. The total amount of Pre-Show revenue earned from AMC screens during the period was $20.4 million or 36% of the Company's revenue. The total amount of other in-theatre revenue earned from AMC screens for the period was $4.8 million or 9% of the Company's revenue. The AMC portion of circuit costs for the period was $18.6 million.

For the Predecessor period ended April 1, 2004, the total amount of slide and digital revenue earned from AMC screens was $18.0 million, or 26% of the Company's total revenue. The total amount of Pre-Show revenue earned from AMC screens in 2004 was $21.1 million or 30% of the Company's revenue. The total amount of other in-theatre revenue earned from AMC screens for 2004 was $5.8 million or 8% of the Company's revenue. The AMC portion of circuit costs for 2004 was $18.7 million.

NATIONAL CINEMA NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS—(Continued)
PERIODS ENDED MARCH 31, 2005, DECEMBER 23, 2004, AND APRIL 1, 2004

6. INCOME TAXES:

Income taxes reflected in the Statement of Operations are as follows (in millions):

	52 weeks ended April 1, 2004 (Predecessor)	April 2, 2004 through December 23, 2004 (Predecessor)	December 24, 2004 through March 31, 2005 (Successor)
Current:			
Federal	$ 2.0	$ 3.2	$ (0.2)
State	0.3	0.5	(0.1)
Total current	2.3	3.7	(0.3)
Deferred:			
Federal	(0.8)	(0.6)	(0.3)
State	(0.1)	(0.1)	—
Total deferred	(0.9)	(0.7)	(0.3)
Total expense (benefit)	$ 1.4	$ 3.0	$ (0.6)

The difference between the effective rate and the U.S. federal income tax statutory rate of 35% is accounted for as follows (in millions):

	52 weeks ended April 1, 2004 (Predecessor)	April 2, 2004 through December 23, 2004 (Predecessor)	December 24, 2004 through March 31, 2005 (Successor)
Tax on earnings (loss) before (benefit) provision for income tax at statutory rates	$ 1.2	$ 2.6	$ (0.5)
Add (subtract) tax effect of:			
State income taxes—net of federal tax benefit	0.2	0.4	(0.1)
Income tax (benefit) provision	$ 1.4	$ 3.0	$ (0.6)

7. COMMITMENTS:

The majority of the Company's sales and administrative operations were conducted in premises occupied under lease agreements with base terms ranging generally from one to four years, with certain leases containing options to extend the leases for an additional one to three years. The leases provide for fixed rentals. The Company also leases certain equipment under leases expiring at various dates. The majority of the leases provide that the Company will pay all, or substantially all, the taxes, maintenance, insurance, and certain other operating expenses. None of the Company's operating leases were assumed by NCM and remained the obligations of AMC after March 31, 2005.

Rent expense totaled $-, $0.6 million and $1.0 million for the Successor period ended March 31, 2005, and the Predecessor periods ended December 23, 2004, and April 1, 2004, respectively.

NATIONAL CINEMA NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS—(Continued)
PERIODS ENDED MARCH 31, 2005, DECEMBER 23, 2004, AND APRIL 1, 2004

Employee Benefit Plans—Employees of NCN are included in the benefit plans offered to AMC employees. All of the obligations related to NCN employees remained with AMC subsequent to the formation of NCM. Descriptions of these plans are as follows:

Defined Benefit Plan—AMC sponsors a noncontributory defined benefit pension plan covering, after a minimum of one year of employment, all employees age 21 or older, who have completed 1,000 hours of service in their first twelve months of employment or in a calendar year and who are not covered by a collective bargaining agreement. Expenses of the defined benefit pension plan allocated to NCN from AMC totaled $0.1 million, $0.2 million, and $0.2 million during the Successor period ended March 31, 2005, and Predecessor periods ended December 23, 2004, and April 1, 2004, respectively.

401(k) Plan—AMC sponsors a voluntary 401(k) savings plan covering eligible employees after one year of service and age 21. The Company matches 100% of each eligible employee's elective contributions up to 3% of the employee's compensation and 50% of each eligible employee's elective contributions on the next 2% of the employees pay. The Company's expense under the 401(k) savings plan was $0.1 million, $0.2 million, and $0.3 million for the Successor period ended March 31, 2005, and the Predecessor periods ended December 23, 2004, and April 1, 2004, respectively.

Other Retirement Benefits—AMC currently offers eligible retirees the opportunity to participate in a health plan (medical and dental) and a life insurance plan. Substantially all employees may become eligible for these benefits provided that the employee must be at least 55 years of age and have 15 years of credited service at retirement. The health plan is contributory, with retiree contributions adjusted annually; the life insurance plan is noncontributory.

Commitments—The Company operates its advertising program through agreements with theatre circuits. These exhibitor agreements stipulate the amount of exhibitor payments a theatre will receive for running on-screen slides, on-film programs and other related in-theatre products and services. An exhibitor agreement generally has a term of two to five years, with an annual cancellation provision included in select agreements. Certain circuits have agreements requiring an annual minimum exhibitor share payment. The Company's total exhibitor share commitment as of the Successor period ended March 31, 2005, totals $3.0 million. As a result of the Joint Venture, NCN's exhibitor share commitment is expected to be paid by March 2007. In certain circuit agreements, the Company has the right to subcontract theatres to other in-theatre advertising affiliates. Exhibitor share payments due to the exhibitor from subcontracted affiliate sales shall be credited against the annual minimum exhibit share payment in selected agreements.

* * * * * *

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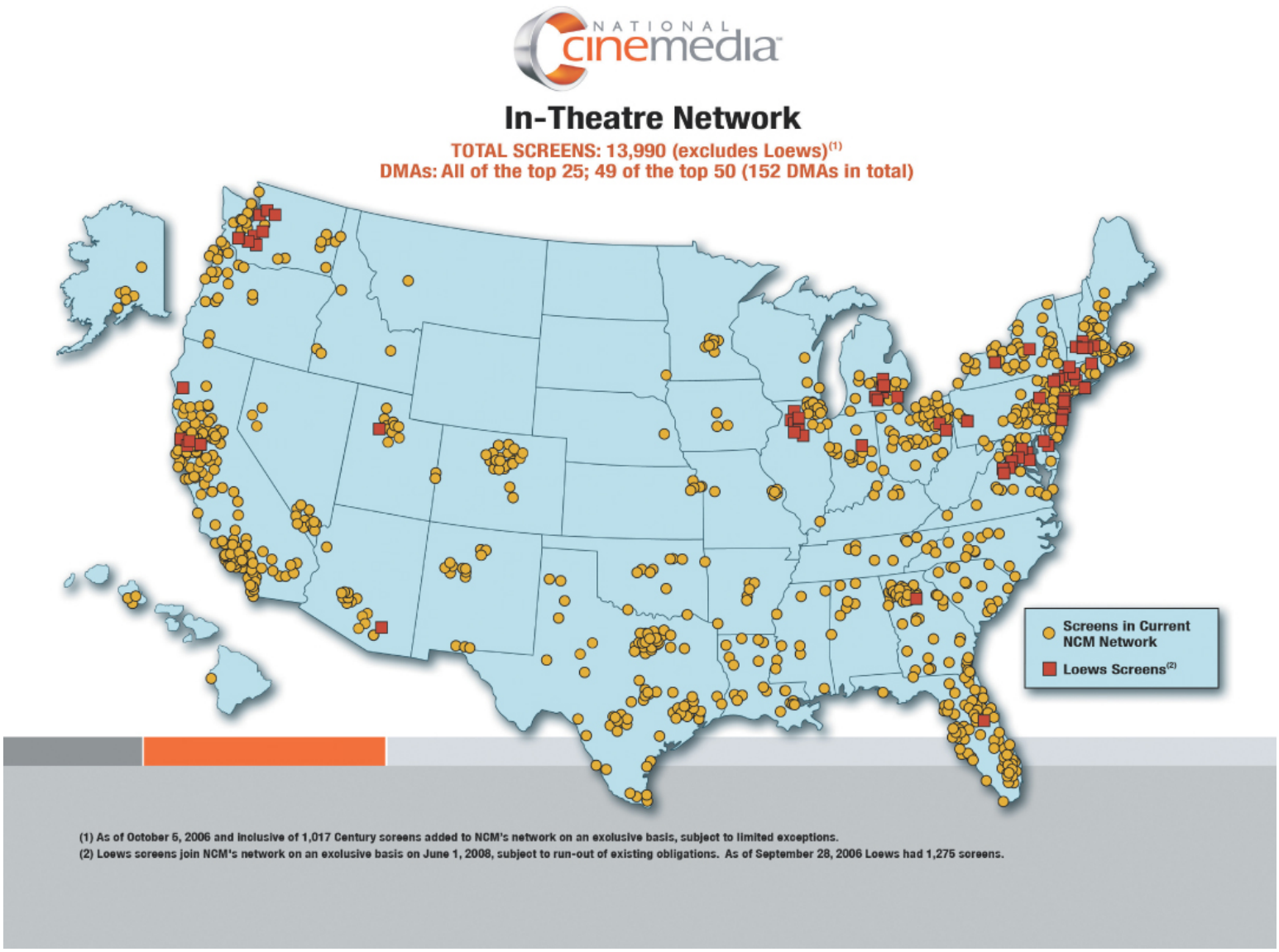

38,000,000 Shares

Common Stock

PROSPECTUS

, 2007

Credit Suisse **JPMorgan** **Lehman Brothers** **Morgan Stanley**

AGM Securities
Allen & Company LLC
Banc of America Securities LLC
Bear, Stearns & Co. Inc.
Citigroup
Deutsche Bank Securities
Goldman, Sachs & Co.
Merrill Lynch & Co.
UBS Investment Bank

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

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the expenses expected to be incurred in connection with the issuance and distribution of common stock registered hereby, all of which expenses, except for the Securities and Exchange Commission registration fee, are estimated.

Securities and Exchange Commission registration fee	$ 93,518
Nasdaq Global Market listing fee	130,000
National Association of Securities Dealers, Inc. filing fee	75,500
Printing fees and expenses	1,000,000
Legal fees and expenses	2,500,000
Accounting fees and expenses	1,250,000
Blue Sky fees and expenses	30,000
Transfer agent and registrar fees and expenses	30,000
Miscellaneous expenses	390,982
Total	$ 5,500,000

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 102 of the Delaware General Corporation Law (the “DGCL”) grants us the power to limit the personal liability of our directors or our stockholders for monetary damages for breach of a fiduciary duty. Article Sixth of our Amended and Restated Certificate of Incorporation eliminates the personal liability of directors for monetary damages for actions taken as a director, except for liability for breach of duty of loyalty; for acts or omissions not in good faith or involving intentional misconduct or knowing violation of law; under Section 174 of the Delaware General Corporation Law (unlawful dividends); or for transactions from which the director derived improper personal benefit.

Under Section 145 of the DGCL, a corporation has the power to indemnify directors and officers under certain prescribed circumstances against certain costs and expenses, actually and reasonably incurred in connection with any action, suit or proceeding, whether civil, criminal, administrative or investigative, to which any of them is a party by reason of his being a director or officer of the corporation if it is determined that he acted in accordance with the applicable standard of conduct set forth in such statutory provision. Article VI of our Amended and Restated Bylaws requires us to indemnify any current or former directors or officers to the fullest extent permitted by the DGCL, and to pay expenses incurred in defending any such proceeding in advance of its final disposition upon delivery to us of an undertaking, by or on behalf of an indemnified person, to repay all amounts so advanced if it should be determined ultimately that such person is not entitled to be indemnified under this section or otherwise. Article VI also permits us to indemnify any current or former employees or agents to the fullest extent permitted by the DGCL, and to pay expenses incurred in defending any such proceeding in advance of its final disposition upon such terms and conditions, if any, as we deem appropriate.

Section 145 of the DGCL authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted against and incurred by such person in any such capacity, or arising out of such person’s status as such. As permitted by Section 145 and Section 6.08 of our Amended and Restated Bylaws, we carry insurance policies insuring its directors and officers against certain liabilities that they may incur in their capacity as directors and officers.

We intend to enter into separate indemnification agreements with each of our directors and officers, which may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements may require us, among other things, to indemnify our directors and officers against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements may also require us to advance any expenses incurred by the directors or officers as a result of any proceeding against them as to which they could be indemnified and to obtain directors' and officers' insurance, if available on reasonable terms.

We expect that the Underwriting Agreement will obligate the underwriters, under certain circumstances, to indemnify our directors and officers for certain liabilities, including liabilities arising under the Securities Act.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our Amended and Restated Certificate of Incorporation or Amended and Restated Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Since October 5, 2006, the date of our formation, we have not sold securities without registration under the Securities Act of 1933.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

The following exhibits are filed with this registration statement:

Exhibit No.	Description
1.1	Form of Underwriting Agreement.***
3.1	Certificate of Incorporation of NCM Inc.***
3.2	Form of Amended and Restated Certificate of Incorporation of NCM Inc. to be effective upon the closing of the offering being made pursuant to this Registration Statement.***
3.3	Bylaws of NCM Inc.***
3.4	Form of Amended and Restated Bylaws of NCM Inc. to be effective upon the closing of the offering being made pursuant to this Registration Statement.***
3.5	Certificate of Formation of NCM LLC.***
3.6	Form of Third Amended and Restated Limited Liability Company Operating Agreement of NCM LLC to be effective upon the closing of the offering being made pursuant to this registration statement.***
4.1	Specimen Common Stock Certificate of NCM Inc.***
5.1	Opinion of Holme Roberts & Owen LLP.*

Exhibit No.	Description
10.1	Form of Senior Secured Credit Facility.*
10.2	Form of Common Unit Subscription Agreement between NCM Inc. and NCM LLC.***
10.3	Form of Tax Receivable Agreement between NCM Inc., NCM LLC and the Founding Members.***
10.4	Form of Registration Rights Agreement between NCM Inc. and the Founding Members.***
10.5	Form of Director Designation Agreement between NCM Inc. and the Founding Members.***
10.6	Form of Management Services Agreement between NCM Inc. and NCM LLC.***
10.7	[Intentionally omitted]
10.8	Form of Exhibitor Services Agreement between NCM LLC and the Founding Members.***(Portions omitted pursuant to request for confidential treatment and filed separately with the Commission)
10.9	Form of Second Amended and Restated Software License Agreement.*
10.10	Form of Amended and Restated Loews Screen Integration Agreement.***(Portions omitted pursuant to request for confidential treatment and filed separately with the Commission)
10.11	Form of Common Unit Adjustment Agreement between NCM LLC and the Founding Members.***(Portions omitted pursuant to request for confidential treatment and filed separately with the Commission)
10.12	Form of NCM Inc. 2007 Equity Incentive Plan.+***
10.13	Form of Option Substitution Award.+***
10.14	Form of Restricted Stock Substitution Award+***
10.15	Form of Employment Agreement by and among NCM Inc., NCM LLC and Kurt C. Hall.+***
10.16	Form of Employment Agreement by and among NCM Inc., NCM LLC and Clifford E. Marks.+***
10.17	Form of Employment Agreement by and among NCM Inc., NCM LLC and Gary W. Ferrera.+***
10.18	Form of Employment Agreement by and among NCM Inc., NCM LLC and Thomas C. Galley.+***
10.19	Form of Employment Agreement by and among NCM Inc., NCM LLC and Ralph E. Hardy.+***
10.20	Form of Indemnification Agreement.+***
10.21	Form of Unit Purchase Agreement by and among NCM Inc. and the Founding Members.***
10.22	Form of ESA Payment Letter.***
10.23	Joint Defense and Common Interest Agreement, dated August 16, 2004, as amended by the Joint Defense and Common Interest Agreement, dated July 13, 2005, and the Amendment to Joint Defense and Common Interest Agreement effective as of July 1, 2006.***
21.1	List of Subsidiaries.***
23.1	Consent of Deloitte & Touche LLP.*
23.2	Consent of Holme Roberts & Owen LLP (included in Exhibit 5.1).*
23.3	Consent of Lawrence A. Goodman to be named as a director nominee.***
23.4	Consent of David R. Haas to be named as a director nominee.***
23.5	Consent of James R. Holland, Jr. to be named as a director nominee.***
23.6	Consent of Stephen L. Lanning to be named as a director nominee.***
23.7	Consent of Edward H. Meyer to be named as a director nominee.***
23.8	Consent of Scott N. Schneider to be named as a director nominee.***
24.1	Power of attorney.***
99.1	Consent of King, Brown & Partners, Inc.***
99.2	Consent of OTX Screening.***
99.3	Consent of RH Bruskin Marketing, Inc.***
99.4	Consent of Roper Public Affairs and Media.***

* Filed herewith.
** To be filed by amendment.
*** Previously filed.
\+ Management contract.

(b) Financial Statement Schedules

See the Index to Financial Statements included on page F-1 for a list of the financial statements included in this registration statement.

All schedules not identified above have been omitted because they are not required, are not applicable or the information is included in the selected consolidated financial data or notes contained in this registration statement.

ITEM 17. UNDERTAKINGS

(a) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(b) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Centennial, County of Arapahoe, State of Colorado, on February 6, 2007.

National CineMedia, Inc.

By: *
Kurt C. Hall
President, Chief Executive Officer and Chairman

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
* **Kurt C. Hall**	President, Chief Executive Officer and Chairman *(Principal Executive Officer)*	February 6, 2007
/S/ GARY W. FERRERA **Gary W. Ferrera**	Chief Financial Officer *(Principal Financial and Accounting Officer)*	February 6, 2007
* **Peter C. Brown**	Director	February 6, 2007
* **Michael L. Campbell**	Director	February 6, 2007
* **Lee Roy Mitchell**	Director	February 6, 2007

* By: /S/ GARY W. FERRERA
Gary W. Ferrera
Attorney in fact

Exhibit 5.1

[LETTERHEAD OF HOLME ROBERTS & OWEN LLP]

February 5, 2007

National CineMedia, Inc.
9110 E. Nichols Ave., Suite 200
Centennial, CO 80112-3405

Re: National CineMedia, Inc.
Registration Statement on Form S-1
Registration No. 333-137976

Ladies and Gentlemen:

As counsel for National CineMedia, Inc., a Delaware corporation (the "Company"), we have examined the above-referenced Registration Statement on Form S-1 (the "Registration Statement"), under the Securities Act of 1933, as amended (the "Act"), that the Company has filed with the United States Securities and Exchange Commission (the "SEC") with respect to the registration of 42,000,000 shares of its common stock, par value $0.01 per share (the "Shares"). The Shares consist of 42,000,000 Shares to be sold pursuant to an Underwriting Agreement to be entered into among the Company, Credit Suisse Securities (USA) LLC, J.P. Morgan Securities Inc., Lehman Brothers Inc. and Morgan Stanley & Co. Incorporated, as Representatives (in the form filed as Exhibit 1.1 to the Registration Statement, the "Underwriting Agreement") including (i) 38,000,000 Shares to be sold by the Company and (ii) up to 4,000,000 Shares to be sold by the Company if the underwriters exercise their over-allotment option.

In connection with the Company's preparation and filing of the Registration Statement, we have examined originals or copies of all documents, corporate records or other writings that we consider relevant for the purposes of this opinion. In such examination, we have assumed the genuineness of all signatures on all original documents, the legal competency of each individual executing any such documents, the authenticity of all documents submitted to us as originals, and the conformity to original documents of all documents submitted to us as photocopies of originals. As to matters of fact not directly within our actual knowledge, we have relied upon certificates, telegrams and other documents from public officials in certain jurisdictions.

Based on and subject to the foregoing and the limitations, qualifications, exceptions and assumptions set forth herein, it is our opinion that, upon the filing of the Amended and Restated Certificate of Incorporation of the Company in the form filed as Exhibit 3.2 to the Registration Statement (the "Certificate of Incorporation") with the Secretary of State of the State of Delaware and the execution and delivery of the Underwriting Agreement, the Shares will be duly authorized, and the Shares will be validly issued, fully paid and non-assessable when the Shares have been issued and sold by the Company and the Company has received the purchase price therefor, in accordance with the terms of the Underwriting Agreement.

The opinions expressed herein are limited to the General Corporation Law of the State of Delaware (including the statutory provisions and all applicable provisions of the Delaware Constitution and reported judicial decisions interpreting these laws).

We hereby consent to the reference to us in the Registration Statement and all amendments to the Registration Statement under the caption "Legal Matters" and the use of this opinion as an exhibit to the Registration Statement; provided however, in giving this consent we do not admit that we are included in the category of people whose consent is required under Section 7 of the Act or the rules of the SEC promulgated thereunder. We express no opinion as to any matters not expressly set forth herein.

This letter is our opinion as to certain legal conclusions as specifically set forth herein and is not and should not be deemed to be a representation or opinion as to any factual matters.

Very truly yours,

/s/ HOLME ROBERTS & OWEN LLP

$805,000,000

CREDIT AGREEMENT

among

NATIONAL CINEMEDIA, LLC,

as Borrower,

The Several Lenders
from Time to Time Parties Hereto,

LEHMAN BROTHERS INC. and
J.P. MORGAN SECURITIES, INC.,
as Arrangers

JPMORGAN CHASE BANK, N.A.,
as Syndication Agent

CREDIT SUISSE (USA) LLC and
MORGAN STANLEY SENIOR FUNDING, INC., as
Co-Documentation Agents

and

LEHMAN COMMERCIAL PAPER INC.,
as Administrative Agent

Dated as of February [__], 2007

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SCHEDULES:

4.4	Consents, Authorizations, Filings and Notices
4.15	Subsidiaries
4.19(a)(i)	UCC Filing Jurisdictions
4.19(a)(ii)	UCC Financing Statements to Remain on File
4.19(a)(iii)	UCC Financing Statements to be Terminated
7.2(d)	Existing Indebtedness
7.3(f)	Existing Liens

EXHIBITS:

A	Form of Guarantee and Collateral Agreement
B	Form of Compliance Certificate
C	Form of Closing Certificate
D	Form of Assignment and Acceptance
E	Form of Legal Opinion of Holme Roberts & Owen LLP
F-1	Form of Term Note
F-2	Form of Revolving Credit Note
F-3	Form of Swing Line Note
G	Form of Exemption Certificate
H	Form of Lender Addendum
I	Form of Borrowing Notice
J	Form of Solvency Certificate

CREDIT AGREEMENT, dated as of February [__], 2007, among National CineMedia, LLC, a Delaware limited liability company (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders"), Lehman Brothers Inc. and J.P. Morgan Securities, Inc., as joint lead arrangers (in such capacity, the "Arrangers"), JPMorgan Chase Bank, N.A., as syndication agent (in such capacity, the "Syndication Agent"), Credit Suisse (USA) LLC and Morgan Stanley Senior Funding, Inc., as co-documentation agents (in such capacity, the "Co-Documentation Agents") and Lehman Commercial Paper Inc., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, the Borrower has requested that the Lenders extend credit to the Borrower in the form of (i) Term Loans (as this and other capitalized terms used in these preliminary statements are defined in Section 1.1 below) in an initial aggregate amount of $725,000,000 and (ii) a Revolving Credit Facility in an initial aggregate amount of $80,000,000;

WHEREAS, the proceeds of the Term Loans made on the Closing Date will be permitted to be used (i) to redeem the Borrower's Preferred Equity (the "Redemption" and collectively with the Refinancing described below and the payments described in clauses (ii) and (iii) of this paragraph, the "Transaction"), (ii) to pay (directly or indirectly) fees and expenses related to the Redemption, the Refinancing, the initial public offering of the common stock of Holdings and all related transactions and (iii) to finance certain payments to the ESA Parties as compensation for amendments to the Borrower's payment obligations under the ESAs;

WHEREAS, the proceeds of the Revolving Credit Loans will be permitted to be used (i) for working capital and general corporate purposes of the Borrower and its Subsidiaries, (ii) to repay certain existing indebtedness of the Borrower (the "Refinancing"), (iii) to fund Restricted Payments and other payments permitted by Section 7.6 and (iv) to pay the Final Circuit Share Payments;

WHEREAS, the Lenders are willing to make such credit facilities available upon and subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the agreements hereinafter set forth, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"Acquisition": as to any Person, (x) the acquisition of all of the Capital Stock of another Person, (y) the acquisition of all or substantially all of the assets of any other Person or (z) the acquisition of all or substantially all of the assets constituting a business line or division of any other Person.

"Additional Lender": as defined in Section 2.25.

"Adjusted Consolidated EBITDA": as to the Borrower and its Subsidiaries for a particular period, the sum of:

(a) Consolidated EBITDA of Borrower and its Subsidiaries for such period; provided that for purposes of this definition, the definitions of "Consolidated Net Senior Secured Leverage Ratio" and "Consolidated Total Leverage Ratio" and Section 7.1, Consolidated EBITDA of Borrower and its Subsidiaries (i) for FQ2 2006 shall be deemed to be $[_____], (ii) for FQ3 2006 shall be deemed to be $[_____], [(iii) for FQ4 2006 shall be calculated by the Borrower on a pro forma basis prior to providing the audited financial statements for 2006 required by Section 6.1(a); provided that the method for determining the pro forma amount under this clause (iii) shall be consistent with the method used for determining the pro forma amounts set forth in clauses (i) through (ii) above, and (iv) for FQ1 2007 shall be equal to the sum of (x) for the period beginning on the first day of FQ1 2007 and ending [on the Closing Date] [the last day of the calendar month ending immediately [prior to] [after] the Closing Date] (the "Cutoff Date"), an amount calculated by the Borrower prior to providing the financial statements for FQ1 2007 required by Section 6.1(b); provided that the method for determining the pro forma amount under this clause (iv)(x) shall be consistent with the method used for determining the pro forma amounts set forth in clauses (i) through (ii) above, and (y) for the period beginning on the first day following the Cutoff Date and ending on the last day of FQ1 2007, actual Consolidated EBITDA of Borrower and its Subsidiaries for such period]; plus

(b) for each such period ending after the Closing Date, amounts received by the Borrower during such period pursuant to the Loews Agreement to the extent such amounts are not otherwise included in determining Consolidated EBITDA of Borrower and its Subsidiaries under clause (a) of this definition for such period; plus

(c) for each such period ending after the Closing Date, the aggregate amount of cash payments received by the Borrower during such period pursuant to Section 4(b) of the Common Unit Adjustment Agreement.

"Adjustment Date": as defined in the definition of "Pricing Grid."

"Administrative Agent": as defined in the preamble hereto.

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person; provided that, for purposes of Section 7.10, an "Affiliate" shall not include any Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, any Founding Member Parent (excluding Holdings, each Subsidiary of Holdings and each Subsidiary of such Founding Member Parent). For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agents": the collective reference to the Syndication Agent, the Co-Documentation Agents and the Administrative Agent.

"Aggregate Exposure": with respect to any Lender at any time, an amount equal to (a) until the Closing Date, the aggregate amount of such Lender's Commitments at such time and (b) thereafter, the sum of (i) the aggregate then unpaid principal amount of such Lender's Term Loans and (ii) the amount of such Lender's Revolving Credit Commitment then in effect or, if the Revolving Credit Commitments have been terminated, the amount of such Lender's Revolving Extensions of Credit then outstanding.

"Aggregate Exposure Percentage": with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the sum of the Aggregate Exposures of all Lenders at such time.

"Agreement": this Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Applicable Margin": (a) with respect to any Term Loan, 0.75% in the case of Base Rate Loans and 1.75% in the case of Eurodollar Loans and (b) with respect to any Revolving Credit Loan, 0.75% in the case of Base Rate Loans and 1.75% in the case of Eurodollar Loans; provided that on and after the first Adjustment Date occurring after the third fiscal quarter in fiscal year 2008, the Applicable Margin with respect to any Revolving Credit Loans shall be determined pursuant to the Pricing Grid.

"Applicable Tax Rate": (a) 40% or (b) if, at the time of the relevant distribution described in Section 7.6(f) herein, the highest combined federal, state and local marginal rate applicable to corporate taxpayers residing in New York City, New York, taking into account the deductibility of state and local income taxes for federal income tax purposes shall exceed 40%, such higher rate.

"Application": an application, in such form as the relevant Issuing Lender may specify from time to time, requesting such Issuing Lender to issue a Letter of Credit (which application shall be subject to Section 3.8).

"Arrangers": as defined in the preamble hereto.

"Asset Sale": any Disposition of Property or series of related Dispositions of Property (excluding any such Disposition permitted by clauses (a) through (m) of Section 7.5) which yields gross proceeds to the Borrower or any of its Subsidiaries (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of $5,000,000.

"Assignee": as defined in Section 10.6(b).

"Assignor": as defined in Section 10.6(b).

"Available Cash": [for a particular period (i) the Borrower's earnings before interest, taxes, depreciation and amortization (as determined under GAAP), plus (ii) non-cash items of deduction or loss subtracted in determining the Borrower's earnings under clause (i), plus (iii) interest income received by the Borrower to the extent such income is not otherwise included in determining the Borrower's earnings under clause (i), plus (iv) amounts received by the Borrower pursuant to the Loews Agreement or other similar agreements to the extent such amounts are not otherwise included in determining the Borrower's earnings under clause (i), plus (v) [net proceeds (after expenses attributable to the sale) from the sale of Borrower assets to the extent such proceeds are not otherwise included in determining the Borrower's earnings under clause (i)], plus, (vi) for the fourth quarterly period of each fiscal year, the amount of Available Cash (if any) for each of the immediately preceding three fiscal quarters of such fiscal year that was not permitted to be distributed to the owners of Borrower as a result of the application of Section 7.6(h), including (without duplication) any Available Cash for each such fiscal quarter that was added to Available Cash for such fiscal quarter as a result of a prior application of this clause (vi), less (vii) non-cash items of income or gain (other than items related to barter transactions) added in determining the Borrower's earnings under clause (i), less (viii) amounts paid by the Borrower pursuant to the ESAs, the Management Agreement [or other similar agreements] to the extent such amounts are not otherwise deducted in determining the Borrower's earnings under clause (i), less (ix) taxes paid by the Borrower, less (x) Capital Expenditures made by the Borrower, less (xi) interest paid by the Borrower on Specified Funded Indebtedness, less (xii) amounts paid by the Borrower during such period to (A) repay the Revolving Credit Loans advanced to the Borrower on the Closing Date, (B) repay any Revolving Credit Loans advanced to the Borrower to fund payment of all or a portion of the Final Circuit Share Payments, and/or (C) pay all or a portion of the Final Circuit Share Payments not financed with Revolving Credit Loans, less (xiii) mandatory principal payments made by the Borrower on the Specified Funded Indebtedness (without duplication for principal payments made on the Revolving Credit Loans under clause (xi)), less (xiv) amounts (other than interest and principal payments) paid by the Borrower with respect to Specified Funded Indebtedness to the extent such amounts are not otherwise deducted in determining the Borrower's earnings under clause (i), less (xv) funds that are restricted pursuant to the terms of Specified Funded Indebtedness[; provided, however, that amounts borrowed under, and (except as provided in clause (xii)) optional principal payments made on, the Revolving Credit Loans shall not be taken into account in determining Available Cash]. For purposes of the definition of "Available Cash" only, "Specified Funded Indebtedness" means the sum of (x) Indebtedness of the Borrower pursuant to any Loan Document, plus (y) additional Indebtedness, or any refinancing thereof, of the Borrower as permitted under the terms of this Agreement.]

"Available Revolving Credit Commitment": with respect to any Revolving Credit Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Revolving Credit Commitment then in effect over (b) such Lender's Revolving Extensions of Credit then outstanding; provided, that in calculating any Lender's Revolving Extensions of Credit for the purpose of determining such Lender's Available Revolving Credit Commitment pursuant to Section 2.9, the aggregate principal amount of Swing Line Loans then outstanding shall be deemed to be zero.

"Base Rate": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the

Federal Funds Effective Rate in effect on such day plus ½ of 1%. For purposes hereof: "Prime Rate" shall mean the prime lending rate as set forth on the British Banking Association Telerate Page 5 (or such other comparable publicly available page as may, in the reasonable opinion of the Administrative Agent after notice to the Borrower, replace such page for the purpose of displaying such rate if such rate no longer appears on the British Bankers Association Telerate page 5), as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually available. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Base Rate Loans": Loans for which the applicable rate of interest is based upon the Base Rate.

"Benefitted Lender": as defined in Section 10.7.

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower": as defined in the preamble hereto.

"Borrower LLC Operating Agreement": the Third Amended and Restated Limited Liability Company Operating Agreement of the Borrower, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrower Membership Units": the common membership units of the Borrower.

"Borrowing Date": any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Borrowing Notice": with respect to any request for borrowing of Loans hereunder, a notice from the Borrower, substantially in the form of, and containing the information prescribed by, Exhibit I, delivered to the Administrative Agent.

"Business Day": (a) for all purposes other than as covered by clause (b) below, a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close and (b) with respect to all notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, any day which is a Business Day described in clause (a) and which is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Capital Expenditures": for any period, with respect to the Borrower and its Subsidiaries on a consolidated basis, the aggregate of all expenditures by the Borrower and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements) during such period that have been capitalized by the Borrower for financial reporting purposes in accordance with GAAP.

"Capital Lease Obligations": with respect to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP; and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-2 by Standard & Poor's Ratings Services ("S&P") or P-2 by Moody's Investors Service, Inc. ("Moody's"), or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; and (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition.

"Change of Control": [_____].

"Closing Date": the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied, which date shall be not later than February [__], 2007.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Co-Documentation Agents": as defined in the preamble hereto.

"Collateral": all Property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

"Commitment": with respect to any Lender, each of the Term Loan Commitment and the Revolving Credit Commitment of such Lender.

"Commitment Fee Rate": 0.375% per annum.

"Common Unit Adjustment Agreement": the Common Unit Adjustment Agreement by and among Holdings, the Borrower, the Founding Members and the ESA Parties dated as of the date hereof, as the same may be amended, supplemented or modified from time.

"Commonly Controlled Entity": an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414 of the Code.

"Compliance Certificate": a certificate duly executed by a Responsible Officer, substantially in the form of Exhibit B.

"Consolidated EBITDA": of the Borrower for any period, Consolidated Net Income of the Borrower and its Subsidiaries for such period plus, without duplication and to the extent deducted in determining such Consolidated Net Income for such period, the sum of (a) expenses for taxes based on income or capital (including franchise and similar taxes), (b) interest expense of the Borrower and its Subsidiaries, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges incurred in connection with or associated with Indebtedness (including without limitation, as it relates to the Borrower and its Subsidiaries, the Facilities), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any extraordinary, unusual or non-recurring charges, expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, losses on sales of assets outside of the ordinary course of business), including without limitation, as it relates to the Borrower and its Subsidiaries, all fees, commissions, expenses, costs, charges and reorganizations costs (including reasonable legal, accounting, financing, consulting and advisory costs, fees and expenses) incurred in connection with the Facilities or the initial public offering referred to in Section 5.1(b), (f) severance plan costs or expense, (g) any other non-cash charges, expenses or losses of the Borrower and its Subsidiaries, including without limitation, (x) non-cash compensation expenses arising from the issuance by Holdings, the Borrower or the applicable Subsidiary of equity, options to purchase equity, stock or equity appreciation rights or similar rights to the employees of Holdings, the Borrower and Subsidiaries of the Borrower and (y) non-cash charges related to changes in the exposure of the Borrower and its Subsidiaries under Hedge Agreements, and minus, to the extent included in determining such Consolidated Net Income for such period, the sum of (a) interest income (except to the extent deducted in determining such Consolidated Net Income), (b) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business), (c) any other non-cash

income and (d) any cash payments made during such period in respect of items described in clause (f) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were reflected as a charge in the statement of Consolidated Net Income, all as determined on a consolidated basis.

For the purposes of calculating Consolidated EBITDA for any period of four consecutive fiscal quarters (each, a "Reference Period") pursuant to any determination of the Consolidated Net Senior Secured Leverage Ratio, (i) if at any time during such Reference Period the Borrower or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period and (ii) if during such Reference Period the Borrower or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto as if such Material Acquisition occurred on the first day of such Reference Period. As used in this definition, "Material Acquisition" means any Acquisition that involves the payment of consideration by the Borrower and its Subsidiaries in excess of an amount equal to 10% of Consolidated EBITDA of the Borrower and its Subsidiaries for the period of the most recent four consecutive fiscal quarters ending prior to the closing date of such Acquisition with respect to which financial statements have been prepared by the Borrower. "Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of an amount equal to 10% of Consolidated EBITDA of the Borrower and its Subsidiaries for the period of the most recent four consecutive fiscal quarters ending prior to the date of such Disposition with respect to which financial statements have been prepared by the Borrower.

"Consolidated Net Income": of any Person for any period, the consolidated net income (or loss) of such Person and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided, that in calculating Consolidated Net Income of the Borrower and its consolidated Subsidiaries for any period, there shall be excluded (a) except as set forth in the second paragraph of the definition of "Consolidated EBITDA," the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

"Consolidated Net Senior Secured Leverage Ratio": as of the last day of any period of four consecutive fiscal quarters, the ratio of (a) Consolidated Senior Secured Debt on such day less the aggregate amount of cash and Cash Equivalents owned by the Borrower and its Subsidiaries on such day (in each case, free and clear of all Liens (other than Liens permitted by Section 7.3(a), (h) and (l)) to (b) Adjusted Consolidated EBITDA of the Borrower and its Subsidiaries for such period.

"Consolidated Senior Secured Debt": at any date, Consolidated Total Debt (other than Subordinated Debt) at such date, determined on a consolidated basis in accordance with GAAP, that is secured by a Lien on any assets of the Borrower or its Subsidiaries.

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness of the Borrower and its Subsidiaries of the type described in clauses (a) through (e) of the definition of "Indebtedness" in this Section 1.1 at such date, determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Leverage Ratio": as of any date of determination, the ratio of (a) Consolidated Total Debt on such date less the aggregate amount of cash and Cash Equivalents owned by the Borrower and its Subsidiaries on such date (in each case, free and clear of all Liens (other than Liens permitted by Section 7.3(a), (h) and (l)) to (b) Adjusted Consolidated EBITDA of the Borrower and its Subsidiaries for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination with respect to which financial statements have been prepared by the Borrower.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

"Control Investment Affiliate": as to any Person, any other Person that (a) directly or indirectly, is in control of, is controlled by, or is under common control with, such Person and (b) is organized by such Person primarily for the purpose of making equity or debt investments in one or more companies. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Defaulting Lender": as defined in Section 2.24.

"Designation Agreement": the Director Designation Agreement dated as of [_____], 2007 among Holdings, American Multi-Cinema, Inc., a Missouri corporation, Cinemark Media, Inc., a Delaware corporation, and Regal CineMedia Holdings, LLC, a Delaware limited liability company, as the same may be amended, supplemented or otherwise modified from time to time.

"Disposition": with respect to any Property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof; and the terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dollars" and "$": dollars in lawful currency of the United States of America.

"Domestic Subsidiary": any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States of America.

"ECF Percentage": with respect to any fiscal year of the Borrower, 50%; provided, that, the ECF Percentage shall be 0% if the Consolidated Net Senior Secured Leverage Ratio as of the last day of such fiscal year is less than 3.0 to 1.0.

"Employment Agreements": the collective reference to the employment agreements entered into from time to time among Holdings, the Borrower and each "Service Employee" under (and as defined in) the Management Agreement, in each case as the same may be amended, supplemented or modified from time to time.

"Environmental Laws": any and all laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or other legally enforceable requirements (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment or of human health, or employee health and safety, as has been, is now, or may at any time hereafter be, in effect.

"Environmental Permits": any and all permits, licenses, approvals, registrations, notifications, exemptions and other authorizations required under any Environmental Law.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ESAs": the collective reference to (a) the Exhibitor Services Agreement between the Borrower and American Multi-Cinema, Inc., a Missouri corporation, dated as of [__], 2007, (b) the Exhibitor Services Agreement between the Borrower and Cinemark USA, Inc., a Texas corporation, dated as of [__], 2007, and (c) the Exhibitor Services Agreement between the Borrower and Regal Cinemas, Inc., a Tennessee corporation, dated as of [__], 2007, in each case as amended, supplemented or modified from time to time.

"ESA Parties": the collective reference to American Multi-Cinema, Inc., a Missouri corporation, Cinemark USA, Inc., a Texas corporation, and Regal Cinemas, Inc., a Tennessee corporation.

"Eurocurrency Reserve Requirements": for any day, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal and emergency reserves) under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": with respect to each day during each Interest Period, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Telerate screen as of 11:00 A.M., London time, two Business Days prior to the beginning

of such Interest Period. In the event that such rate does not appear on Page 3750 of the Telerate screen (or otherwise on such screen), the "Eurodollar Base Rate" for purposes of this definition shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent.

"Eurodollar Loans": Loans for which the applicable rate of interest is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{\text{1.00 - Eurocurrency Reserve Requirements}}$$

"Eurodollar Tranche": the collective reference to Eurodollar Loans under a particular Facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Excess Cash Flow": means for a fiscal year of the Borrower, (i) Available Cash for such fiscal year, less (ii) to the extent not deducted in calculating Available Cash for such fiscal year, Restricted Payments and other cash payments as permitted under Section 7.6 made or payable with respect to such fiscal year, less (iii) an amount not to exceed $10,000,000 for such fiscal year.

"Excess Cash Flow Application Date": as defined in Section 2.12(c).

"Facility": each of (a) the Term Loan Commitments and the Term Loans made thereunder (the "Term Loan Facility") and (b) the Revolving Credit Commitments and the extensions of credit made thereunder (the "Revolving Credit Facility").

"Federal Funds Effective Rate": for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"Final Circuit Share Payments": the collective reference to the "Final Circuit Share Payments" as defined in, and to be paid by the Borrower to the ESA Parties pursuant to, that certain side letter dated [as of the date hereof], by and among the Borrower and the ESA Parties, substantially in the form filed with the SEC on [_____].

"Final Prospectus": Holding's final prospectus filed with the SEC on [_____], 2007 pursuant to Rule 424(b) of the Securities Act of 1933, as amended.

"Foreign Subsidiary": any Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Founding Members": the collective reference to American Multi-Cinema, Inc., a Missouri corporation, Cinemark Media, Inc., a Delaware corporation, and Regal CineMedia Holdings, LLC, a Delaware limited liability company.

"Founding Member Parent: each of (a) AMC Entertainment, Inc. (or its successor), in the case of American Multi-Cinema, Inc., (b) Cinemark, Inc. (or its successor), in the case of Cinemark Media, Inc., and (c) Regal Entertainment Group (or its successor), in the case of Regal CineMedia Holdings, LLC.

"FQ1", "FQ2 ", "FQ3", and "FQ4": when used with a numerical year designation, means the first, second, third or fourth fiscal quarters, respectively, of such fiscal year of the Borrower (e.g., FQ4 2006 means the fourth fiscal quarter of the Borrower's 2006 fiscal year, which ends on December 28, 2006).

"Funding Office": the office specified from time to time by the Administrative Agent as its funding office by notice to the Borrower and the Lenders.

"GAAP": generally accepted accounting principles in the United States of America as in effect from time to time.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Guarantee and Collateral Agreement": the Guarantee and Collateral Agreement to be executed and delivered by the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit A, as the same may be amended, supplemented or otherwise modified from time to time.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit), in each case, that guarantees or in effect guarantees any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the

primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Hedge Agreements": all interest rate or currency forwards, options, swaps, caps or collar agreements, foreign exchange agreements, commodity contracts or similar arrangements entered into by the Borrower or its Subsidiaries providing for protection against fluctuations in interest rates, currency exchange rates, commodity prices or the exchange of nominal interest obligations, either generally or under specific contingencies.

"Holdings": National CineMedia, Inc., a Delaware corporation.

"Holdings Common Stock": the common stock, par value $0.01 per share, of Holdings.

"Holdings Common Stock Outstanding" shall mean, as of any date of determination, (a) all shares of Holdings Common Stock actually outstanding on such date, (b) all shares of Holdings Common Stock issuable upon conversion or exchange of the common membership units of the Borrower outstanding on such date, and (c) all shares of Holdings Common Stock issuable upon exercise or conversion of all other options, warrants, evidences of indebtedness, shares (other than the Holdings Common Stock) or other securities outstanding on such date that are convertible or exchangeable for Holdings Common Stock.

"Holdings Total Capitalization" means, as of any date of determination, the sum of:

(a) an amount equal to (i) the number of shares of Holdings Common Stock Outstanding on such date, multiplied by (ii) the average of the closing prices of the Holdings Common Stock on the Nasdaq Global Select Market over the 30 day period ending three (3) trading days prior to such date; plus

(b) an amount equal to (i) the aggregate principal amount of all Indebtedness of Holdings and its Subsidiaries of the type described in clauses (a) through (e) of the definition of "Indebtedness" in this Section 1.1 at such date, determined on a consolidated basis in accordance with GAAP, less (ii) the aggregate amount of cash and Cash Equivalents owned by the Borrower and its Subsidiaries on such date (in each case, free and clear of all Liens (other than Liens permitted by Section 7.3(a), (h) and (l)); plus

(c) an amount equal to aggregate book value of all outstanding shares of non-convertible preferred stock of Holdings (if any).

"Incremental Amendment": as defined in Section 2.25.

"Incremental Facility Closing Date": as defined in Section 2.25.

"Incremental Term Loans": as defined in Section 2.25.

"Indebtedness": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of Property or services (other than trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property) other than customary reservations or retentions of title under agreements with suppliers in the ordinary course of business; provided that, in such event, the amount of such Indebtedness shall be deemed to be the lesser of the fair market value of such Property and the aggregate principal amount of such Indebtedness, (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under acceptance, letter of credit, surety bond or similar facilities, (g) for purposes of Section 7.2 only, all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Capital Stock of such Person on or prior to [_____], 2015 (other than for consideration consisting of Borrower Membership Units or Holdings Common Stock or cash consideration of, or funded (directly or indirectly) by, Holdings), (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on Property (including, without limitation, accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation and (j) for the purposes of Section 8(e) only, all obligations of such Person in respect of Hedge Agreements; provided that for purposes of this definition, the principal amount of any Hedge Agreement as of such date shall be the maximum aggregate amount that such Person would be required to pay if such Hedge Agreement were terminated as of such date (after giving effect to any netting arrangements). The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

"Indemnified Liabilities": as defined in Section 10.5.

"Indemnitee": as defined in Section 10.5.

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Payment Date": (a) as to any Base Rate Loan, the last day of each March, June, September and December to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three months or shorter, the last day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (d) as to any Loan (other than any Revolving Credit Loan that is a Base Rate Loan and any Swing Line Loan), the date of any repayment or prepayment made in respect thereof.

"Interest Period": as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not later than 12:00 Noon, New York City time, on the date that is three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(1) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(2) any Interest Period that would otherwise extend beyond the Revolving Credit Termination Date or beyond the date final payment is due on the Term Loans shall end on the Revolving Credit Termination Date or such due date, as applicable; and

(3) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period.

"Investments": as defined in Section 7.8.

"Issuing Lender": any Revolving Credit Lender from time to time designated by the Borrower as an Issuing Lender with the consent of such Revolving Credit Lender and the Administrative Agent.

"L/C Commitment": $10,000,000.

"L/C Fee Payment Date": the last day of each March, June, September and December and the last day of the Revolving Credit Commitment Period.

"L/C Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.5.

"L/C Participants": with respect to any Letter of Credit, the collective reference to all the Revolving Credit Lenders other than the Issuing Lender that issued such letter of Credit.

"Lehman Entity": any of Lehman Commercial Paper Inc. or any of its affiliates (including Syndicated Loan Funding Trust).

"Lender Addendum": with respect to any initial Lender, a Lender Addendum, substantially in the form of Exhibit J, to be executed and delivered by such Lender on the Closing Date as provided in Section 10.17.

"Lenders": as defined in the preamble hereto.

"Letters of Credit": as defined in Section 3.1.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"Loan": any loan made by any Lender pursuant to this Agreement.

"Loan Documents": this Agreement, the Security Documents, the Applications and the Notes.

"Loan Parties": the Borrower and each Subsidiary Guarantor.

"Loews Agreement": the First Amended and Restated Loews Screen Integration Agreement, dated as of [_____], 2007, by and among American Multi-Cinema, Inc., a Missouri corporation, and the Borrower, as the same may be amended, supplemented or otherwise modified from time to time.

"Majority Facility Lenders": with respect to any Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans or the Total Revolving Extensions of Credit, as the case may be, outstanding under such Facility (or, in the case of the Revolving Credit Facility, prior to any termination of the Revolving Credit Commitments, the holders of more than 50% of the Total Revolving Credit Commitments).

"Majority Revolving Credit Facility Lenders": the Majority Facility Lenders in respect of the Revolving Credit Facility.

"Majority Term Loan Facility Lenders": the Majority Facility Lenders in respect of the Term Loan Facility.

"Management Agreement": the management agreement between Holdings and the Borrower dated [_____], as the same may be amended, supplemented or modified from time to time as permitted hereunder.

"Material Adverse Effect": a material adverse effect on (a) the business, assets, property, operations or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Agents or the Lenders hereunder or thereunder.

"Material Environmental Amount": an amount or amounts payable by the Borrower and/or any of its Subsidiaries, in the aggregate in excess of $5,000,000, for: costs to comply with any Environmental Law; costs of any investigation, and any remediation, of any Material of Environmental Concern; and compensatory damages (including, without limitation damages to natural resources), punitive damages, fines, and penalties pursuant to any Environmental Law.

"Material Permitted Acquisition": any Permitted Acquisition the consideration for which exceeds, on the closing date of the Permitted Acquisition, 10% of the Holdings Total Capitalization on such date.

"Material Wholly Owned Domestic Subsidiary" means, as of the Closing Date or any other date of determination, any Wholly Owned Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States of America that accounts for either (a) five percent (5%) or more of the consolidated revenue of the Borrower and its Subsidiaries as determined in accordance with GAAP or (b) five percent (5%) or more of the Holdings Total Capitalization, in each case measured for the period of four consecutive fiscal quarters ended on the last day of the then most recently ended fiscal quarter with respect to which financial statements have been prepared by the Borrower.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, polychlorinated biphenyls, urea-

formaldehyde insulation, asbestos, pollutants, contaminants, radioactivity, and any other substances or forces of any kind, whether or not any such substance or force is defined as hazardous or toxic under any Environmental Law, that is regulated pursuant to or could give rise to liability under any Environmental Law.

"Mortgages": each of the mortgages and deeds of trust, if any, made by any Loan Party in favor of, or for the benefit of, the Administrative Agent for the benefit of the Secured Parties.

"Multiemployer Plan": a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds": (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof received by any Loan Party in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when such proceeds are received) of such Asset Sale or Recovery Event, net of attorneys' fees, other consultants' fees, accountants' fees, investment banking or brokerage fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset which is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) and other customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable by the Borrower, any member thereof or otherwise as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and net of reserve amounts established by the Borrower or any Subsidiary for liabilities reasonably anticipated in connection with such Asset Sale or Recovery Event so long as such reserve amounts are comprised of segregated cash or Cash Equivalents and will constitute Net Cash Proceeds to the extent such reserve amounts are no longer required to be maintained and (b) in connection with any issuance or sale of debt securities or instruments, the cash proceeds received by any Loan Party from such issuance, net of attorneys' fees, other consultants' fees, investment banking or brokerage fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"Non-Excluded Taxes": as defined in Section 2.20.

"Non-U.S. Lender": as defined in Section 2.20(d).

"Note": any promissory note evidencing any Loan.

"Obligations": the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans, the Reimbursement Obligations and all other obligations and liabilities of the Borrower to the Administrative Agent or to any Lender or any Qualified Counterparty, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, in each case

which arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any Specified Hedge Agreement or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise; provided, that (i) obligations of the Borrower or any Subsidiary under any Specified Hedge Agreement shall be secured and guaranteed pursuant to the Security Documents only to the extent that, and for so long as, the other Obligations are so secured and guaranteed and (ii) any release of Collateral or Guarantors effected in the manner permitted by this Agreement shall not require the consent of holders of obligations under Specified Hedge Agreements.

"Other Taxes": any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Participant": as defined in Section 10.6(a).

"Payment Office": the office specified from time to time by the Administrative Agent as its payment office by written notice to the Borrower and the Lenders.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Permitted Acquisition": as defined in Section 7.8(l).

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": at a particular time, any employee benefit plan that is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Preferred Equity": as defined in Section 1.1 of the Borrower LLC Operating Agreement.

"Pricing Grid": the table set forth below:

Consolidated Net Senior Secured Leverage Ratio	**Applicable Margin for Base Rate Loans**	**Applicable Margin for Eurodollar Loans**
Greater than 3.5 to 1.0	0.75%	1.75%
Less than or equal to 3.5 to 1.0	0.50%	1.50%

For purposes of the Pricing Grid, changes in the Applicable Margin resulting from changes in the Consolidated Net Senior Secured Leverage Ratio shall become effective on the date (the "Adjustment Date") that is three Business Days after the date on which financial statements are delivered to the Lenders pursuant to Section 6.01 and shall remain in effect until the next change to be effected pursuant to this paragraph. If any financial statements referred to above are not delivered within the time periods specified by Section 6.01, then, until the date that is three Business Days after the date on which such financial statements are delivered, the highest rate set forth in the Pricing Grid shall apply. In addition, at all times while an Event of Default shall have occurred and be continuing, the highest rate set forth in the Pricing Grid shall apply. Each determination of the Consolidated Net Senior Secured Leverage Ratio pursuant to the Pricing Grid shall be made in a manner consistent with the determination thereof pursuant to Section 7.02.

"Pro Forma Balance Sheet": as defined in Section 4.1(a).

"Pro Forma Statement of Operations": as defined in Section 4.1(a).

"Projections": as defined in Section 6.2(b).

"Property": as to any Person, any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

"Qualified Counterparty": with respect to any Specified Hedge Agreement, any counterparty thereto that, at the time such Specified Hedge Agreement was entered into, was a Lender or an affiliate of a Lender.

"Recovery Event": any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of the Borrower or any of its Subsidiaries that yields gross proceeds in excess of $5,000,000.

"Redemption": as defined in the second recital hereto.

"Refinancing": as defined in the second recital hereto.

"Refunded Swing Line Loans": as defined in Section 2.7.

"Refunding Date": as defined in Section 2.7.

"Register": as defined in Section 10.6(c).

"Registration Statement": Holding's Form S-1 (333-137976) as filed with the SEC on October 12, 2006, as amended and in effect as of the Closing Date.

"Regulation H": Regulation H of the Board as in effect from time to time.

"Regulation U": Regulation U of the Board as in effect from time to time.

"Reimbursement Obligation": the obligation of the Borrower to reimburse each Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit issued by such Issuing Lender.

"Reinvestment Deferred Amount": with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by the Borrower or any of its Subsidiaries in connection therewith that are not applied to prepay the Term Loans pursuant to Section 2.12(b) as a result of the delivery of a Reinvestment Notice.

"Reinvestment Event": any Asset Sale or Recovery Event in respect of which the Borrower has delivered a Reinvestment Notice.

"Reinvestment Notice": a written notice executed by a Responsible Officer stating that no Event of Default has occurred and is continuing and that the Borrower (directly or indirectly through a Subsidiary) intends and expects to use all or a specified portion of the Net Cash Proceeds of an Asset Sale or Recovery Event to acquire, construct, replace, improve or repair assets useful in its or such Subsidiary's business.

"Reinvestment Prepayment Amount": with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire, construct, replace, improve or repair assets useful in the Borrower's or any Subsidiary's business.

"Reinvestment Prepayment Date": with respect to any Reinvestment Event, the earlier of (a) the date occurring one year after such Reinvestment Event and (b) the date on which the Borrower shall have determined not to, or shall have otherwise ceased to, acquire, construct, replace, improve or repair assets useful in the Borrower's or any Subsidiary's business with all or any portion of the relevant Reinvestment Deferred Amount; provided that, to the extent the Borrower or any of its Subsidiaries has entered a binding agreement within one year after such Reinvestment Event to acquire, construct, replace, improve or repair assets useful in the Borrower's or any Subsidiary's business, the one year period in clause (a) with respect to such Reinvestment Event shall be extended for an additional period of six months (or, if earlier, the expiration or termination of such binding agreement).

"Related Fund": with respect to any Lender, any fund that (x) invests in commercial loans and (y) is managed by the same investment advisor as such Lender, by such Lender or an Affiliate of such Lender.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. § 4043.

"Required Lenders": at any time, the holders of more than 50% of (a) until the Closing Date, the Commitments and (b) thereafter, the sum of (i) the aggregate unpaid principal amount of the Term Loans then outstanding and (ii) the Total Revolving Credit Commitments then in effect or, if the Revolving Credit Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding.

"Requirement of Law": as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

"Responsible Officer": the chief executive officer, chief financial officer or general counsel of Holdings (in its capacity as manager of the Borrower), but in any event, with respect to financial matters, the chief executive officer or chief financial officer of Holdings (in its capacity as manager of the Borrower).

"Restricted Payments": as defined in Section 7.6.

"Revolving Credit Commitment": as to any Lender, the obligation of such Lender, if any, to make Revolving Credit Loans and participate in Swing Line Loans and Letters of Credit, in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "Revolving Credit Commitment" opposite such Lender's name on Schedule 1 to the Lender Addendum delivered by such Lender, or, as the case may be, in the Assignment and Acceptance pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original aggregate amount of the Total Revolving Credit Commitments is $80,000,000.

"Revolving Credit Commitment Increase": as defined in Section 2.25.

"Revolving Credit Commitment Increase Lender": as defined in Section 2.25.

"Revolving Credit Commitment Period": the period from and including the Closing Date to the Revolving Credit Termination Date.

"Revolving Credit Facility": as defined in the definition of "Facility" in this Section 1.1.

"Revolving Credit Lender": each Lender that has a Revolving Credit Commitment or that is the holder of Revolving Credit Loans.

"Revolving Credit Loans": as defined in Section 2.4.

"Revolving Credit Note": as defined in Section 2.8.

"Revolving Credit Percentage": as to any Revolving Credit Lender at any time, the percentage which such Lender's Revolving Credit Commitment then constitutes of the Total Revolving Credit Commitments (or, at any time after the Revolving Credit Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender's Revolving Extensions of Credit then outstanding constitutes of the aggregate principal amount of the Total Revolving Extensions of Credit then outstanding).

"Revolving Credit Termination Date": February [__], 2013.

"Revolving Extensions of Credit": as to any Revolving Credit Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Credit Loans made by such Lender then outstanding, (b) such Lender's Revolving Credit Percentage of the L/C Obligations then outstanding and (c) such Lender's Revolving Credit Percentage of the aggregate principal amount of Swing Line Loans then outstanding.

"SEC": the Securities and Exchange Commission (or successors thereto or an analogous Governmental Authority).

"Secured Parties": as defined in the Guarantee and Collateral Agreement.

"Security Documents": the collective reference to the Guarantee and Collateral Agreement, the Mortgages, if any, and all other security documents hereafter delivered to the Administrative Agent granting a Lien on any Property of any Person to secure the obligations and liabilities of any Loan Party under any Loan Document.

"Single Employer Plan": any Plan that is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

"Solvent": with respect to any Person, as of any date of determination, (a) the amount of the "present fair saleable value" of the property of such Person will, as of such date, exceed the amount of all "debts of such Person at a fair valuation, contingent or otherwise", as of such date, (b) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (c) such Person will generally be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured, and (iii) all quoted phrases and other terms used in this definition shall be determined in accordance with applicable federal and state statutes and corresponding interpretive case laws governing determinations of the insolvency of debtors, except that terms used herein which are defined elsewhere in this Agreement are used as so defined.

"Specified Hedge Agreement": any Hedge Agreement entered into by the Borrower or any Subsidiary Guarantor and any Qualified Counterparty.

"Subordinated Debt": at any date, the aggregate principal amount of all Indebtedness of the Borrower and its Subsidiaries of the type described in clauses (a) through (e) of the definition of "Indebtedness" in this Section 1.1 at such date that was incurred pursuant to Section 7.2(k), determined on a consolidated basis in accordance with GAAP.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity (a) of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by

reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or (b) the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person but only if, in the case of this clause (b), such entity is treated as a subsidiary under GAAP. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantor": each Material Wholly Owned Domestic Subsidiary that becomes a party to the Guarantee and Collateral Agreement pursuant to Section 6.10(c).

"Swing Line Commitment": the obligation of the Swing Line Lender to make Swing Line Loans pursuant to Section 2.6 in an aggregate principal amount at any one time outstanding not to exceed $20,000,000.

"Swing Line Lender": Lehman Commercial Paper Inc., in its capacity as the lender of Swing Line Loans.

"Swing Line Loans": as defined in Section 2.6.

"Swing Line Note": as defined in Section 2.8.

"Swing Line Participation Amount": as defined in Section 2.7.

"Syndication Agent": as defined in the preamble hereto.

"Syndication Date": the date on which the Syndication Agent completes the syndication of the Facilities and the entities selected in such syndication process become parties to this Agreement.

"Tax Receivable Agreement": the Tax Receivable Agreement by and among Holdings, the Borrower, the Founding Members and the ESA Parties dated as of the date hereof, as the same may be amended, supplemented or modified from time to time as permitted hereunder.

"Term Loan": as defined in Section 2.1.

"Term Loan Commitment": as to any Lender, the obligation of such Lender, if any, to make a Term Loan to the Borrower hereunder in a principal amount not to exceed the amount set forth under the heading "Term Loan Commitment" opposite such Lender's name on Schedule 1 to the Lender Addendum delivered by such Lender, or, as the case may be, in the Assignment and Acceptance pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original aggregate amount of the Term Loan Commitments is $725,000,000.

"Term Loan Facility": as defined in the definition of "Facility" in this Section 1.1.

"Term Loan Lender": each Lender that has a Term Loan Commitment or is the holder of a Term Loan.

"Term Loan Maturity Date": the eighth anniversary of the Closing Date.

"Term Loan Percentage": as to any Term Loan Lender at any time, the percentage which such Lender's Term Loan Commitment then constitutes of the aggregate Term Loan Commitments (or, at any time after the Closing Date, the percentage which the aggregate principal amount of such Lender's Term Loans then outstanding constitutes of the aggregate principal amount of the Term Loans then outstanding).

"Term Note": as defined in Section 2.8(e).

"Total Revolving Credit Commitments": at any time, the aggregate amount of the Revolving Credit Commitments then in effect.

"Total Revolving Extensions of Credit": at any time, the aggregate amount of the Revolving Extensions of Credit of the Revolving Credit Lenders outstanding at such time.

"Transaction": as defined in the second recital hereto.

"Transferee": as defined in Section 10.14.

"Type": as to any Loan, its nature as a Base Rate Loan or a Eurodollar Loan.

"Wholly Owned Subsidiary": as to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, accounting terms relating to the Borrower and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) All calculations of financial ratios set forth in Section 7.1 shall be calculated to the same number of decimal places as the relevant ratios are expressed in and shall be rounded upward if the number in the decimal place immediately following the last calculated decimal place is five or greater. For example, if the relevant ratio is to be calculated to the hundredth decimal place and the calculation of the ratio is 5.126, the ratio will be rounded up to 5.13.

SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Term Loan Commitments. Subject to the terms and conditions hereof, the Term Loan Lenders severally agree to make term loans (each, a "Term Loan") to the Borrower on the Closing Date in an amount for each Term Loan Lender not to exceed the amount of the Term Loan Commitment of such Lender. The Term Loans may from time to time be Eurodollar Loans or Base Rate Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.13.

2.2 Procedure for Term Loan Borrowing. The Borrower shall deliver to the Administrative Agent a Borrowing Notice (which Borrowing Notice must be received by the Administrative Agent prior to 11:00 A.M., New York City time, on the Closing Date) requesting that the Term Loan Lenders make the Term Loans on the Closing Date. [The Term Loans made on the Closing Date shall initially be Base Rate Loans and] [N][n]o Term Loan may be converted into or continued as a Eurodollar Loan having an Interest Period in excess of one month prior to the earlier of (i) the date which is 60 days after the Closing Date and (ii) the Syndication Date. Upon receipt of such Borrowing Notice the Administrative Agent shall promptly notify each Term Loan Lender thereof. Not later than 12:00 Noon, New York City time, on the Closing Date each Term Loan Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the Term Loan or Term Loans to be made by such Lender. The Administrative Agent shall make available to the Borrower the aggregate of the amounts made available to the Administrative Agent by the Term Loan Lenders, in like funds as received by the Administrative Agent.

2.3 Repayment of Term Loans. The Term Loan of each Term Loan Lender shall mature and be due and payable on the Term Loan Maturity Date.

2.4 Revolving Credit Commitments. (a) Subject to the terms and conditions hereof, the Revolving Credit Lenders severally agree to make revolving credit loans ("Revolving Credit Loans") to the Borrower from time to time during the Revolving Credit Commitment Period in an aggregate principal amount at any one time outstanding for each Revolving Credit Lender which, when added to such Lender's Revolving Credit Percentage of the sum of (i) the L/C Obligations then outstanding and (ii) the aggregate principal amount of the Swing Line Loans then outstanding (other than Swing Line Loans to be repaid with the proceeds of such Revolving Credit Loans to be borrowed), does not exceed the amount of such Lender's Revolving Credit Commitment. During the Revolving Credit Commitment Period the Borrower may use the Revolving Credit Commitments by borrowing, prepaying the Revolving Credit Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Credit Loans may from time to time be Eurodollar Loans or Base Rate Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.5 and 2.13, provided that no Revolving Credit Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Revolving Credit Termination Date.

(b) The Borrower shall repay all outstanding Revolving Credit Loans on the Revolving Credit Termination Date.

2.5 Procedure for Revolving Credit Borrowing. The Borrower may borrow under the Revolving Credit Commitments on any Business Day during the Revolving Credit Commitment Period, provided that the Borrower shall deliver to the Administrative Agent a Borrowing Notice (which Borrowing Notice must be received by the Administrative Agent prior to (a) 12:00 Noon, New York City time, three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (b) 11:00 A.M., New York City time, on the same Business Day as the requested Borrowing Date, in the case of Base Rate Loans). [Any Revolving Credit Loans made on the Closing Date shall initially be Base Rate Loans, and] [N][n]o Revolving Credit Loan may be made as, converted into or continued as a Eurodollar Loan having an Interest Period in excess of one month prior to the earlier of (i) date which is 60 days after the Closing Date and (ii) the Syndication Date. Each borrowing of Revolving Credit Loans under the Revolving Credit Commitments shall be in an amount equal to $1,000,000 or a whole multiple of $500,000 in excess thereof (or, if the then aggregate Available Revolving Credit Commitments are less than $1,000,000 or such incremental amount, such lesser amount); provided, that the Swing Line Lender may request, on behalf of the Borrower, borrowings of Base Rate Loans under the Revolving Credit Commitments in other amounts pursuant to Section 2.7. Upon receipt of any such Borrowing Notice from the Borrower, the Administrative Agent shall promptly notify each Revolving Credit Lender thereof. Each Revolving Credit Lender will make its Revolving Credit Percentage of the amount of each borrowing of Revolving Credit Loans available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 12:00 Noon, New York City time, on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent in like funds as received by the Administrative Agent.

2.6 Swing Line Commitment. (a) Subject to the terms and conditions hereof, the Swing Line Lender agrees that, during the Revolving Credit Commitment Period, it will make available to the Borrower in the form of swing line loans ("Swing Line Loans") a portion of the credit otherwise available to the Borrower under the Revolving Credit Commitments; provided that (i) the aggregate principal amount of Swing Line Loans outstanding at any time shall not exceed the Swing Line Commitment then in effect (notwithstanding that the Swing Line Loans outstanding at any time, when aggregated with the Swing Line Lender's other outstanding Revolving Credit Loans hereunder, may exceed the Swing Line Commitment then in effect or such Swing Line Lender's Revolving Credit Commitment then in effect) and (ii) the Borrower shall not request, and the Swing Line Lender shall not make, any Swing Line Loan if, after giving effect to the making of such Swing Line Loan, the aggregate amount of the Available Revolving Credit Commitments would be less than zero. During the Revolving Credit Commitment Period, the Borrower may use the Swing Line Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swing Line Loans shall be Base Rate Loans only.

(b) The Borrower shall repay all outstanding Swing Line Loans on the Revolving Credit Termination Date.

2.7 Procedure for Swing Line Borrowing; Refunding of Swing Line Loans. (a) The Borrower may borrow under the Swing Line Commitment on any Business Day during the Revolving Credit Commitment Period, provided, the Borrower shall give the Swing Line Lender irrevocable telephonic notice confirmed promptly in writing (which telephonic notice must be received by the Swing Line Lender not later than 1:00 P.M., New York City time, on the proposed Borrowing Date), specifying (i) the amount to be borrowed and (ii) the requested Borrowing Date. Each borrowing under the Swing Line Commitment shall be in an amount equal to $250,000 or a whole multiple of $100,000 in excess thereof. Not later than 3:00 P.M., New York City time, on the Borrowing Date specified in the borrowing notice in respect of any Swing Line Loan, the Swing Line Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the amount of such Swing Line Loan. The Administrative Agent shall make the proceeds of such Swing Line Loan available to the Borrower on such Borrowing Date in like funds as received by the Administrative Agent.

(b) The Swing Line Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs the Swing Line Lender to act on its behalf), on one Business Day's notice given by the Swing Line Lender no later than 12:00 Noon, New York City time, request each Revolving Credit Lender to make, and each Revolving Credit Lender hereby agrees to make, a Revolving Credit Loan (which shall initially be a Base Rate Loan), in an amount equal to such Revolving Credit Lender's Revolving Credit Percentage of the aggregate amount of the Swing Line Loans (the "Refunded Swing Line Loans") outstanding on the date of such notice, to repay the Swing Line Lender. Each Revolving Credit Lender shall make the amount of such Revolving Credit Loan available to the Administrative Agent at the Funding Office in immediately available funds, not later than 10:00 A.M., New York City time, one Business Day after the date of such notice. The proceeds of such Revolving Credit Loans shall be made immediately available by the Administrative Agent to the Swing Line Lender for application by the Swing Line Lender to the repayment of the Refunded Swing Line Loans.

(c) If prior to the time a Revolving Credit Loan would have otherwise been made pursuant to Section 2.7(a), one of the events described in Section 8(f) shall have occurred and be continuing with respect to the Borrower, or if for any other reason, as determined by the Swing Line Lender in its sole discretion, Revolving Credit Loans may not be made as contemplated by Section 2.7(a), each Revolving Credit Lender shall, on the date such Revolving Credit Loan was to have been made pursuant to the notice referred to in Section 2.7(a) (the "Refunding Date"), purchase for cash an undivided participating interest in the then outstanding Swing Line Loans by paying to the Swing Line Lender an amount (the "Swing Line Participation Amount") equal to (i) such Revolving Credit Lender's Revolving Credit Percentage times (ii) the sum of the aggregate principal amount of Swing Line Loans then outstanding which were to have been repaid with such Revolving Credit Loans.

(d) Whenever, at any time after the Swing Line Lender has received from any Revolving Credit Lender such Lender's Swing Line Participation Amount, the Swing Line

Lender receives any payment on account of the Swing Line Loans, the Swing Line Lender will distribute to such Lender its Swing Line Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swing Line Loans then due); provided, however, that in the event that such payment received by the Swing Line Lender is required to be returned, such Revolving Credit Lender will return to the Swing Line Lender any portion thereof previously distributed to it by the Swing Line Lender.

(e) Each Revolving Credit Lender's obligation to make the Loans referred to in Section 2.7(a) and to purchase participating interests pursuant to Section 2.7(b) shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any setoff, counterclaim, recoupment, defense or other right which such Revolving Credit Lender or the Borrower may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5; (iii) any adverse change in the condition (financial or otherwise) of the Borrower; (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Revolving Credit Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

2.8 Repayment of Loans; Evidence of Debt . (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of the appropriate Revolving Credit Lender or Term Loan Lender, as the case may be, (i) the then unpaid principal amount of each Revolving Credit Loan of such Revolving Credit Lender on the Revolving Credit Termination Date (or on such earlier date on which the Loans become due and payable pursuant to Section 8), (ii) the then unpaid principal amount of each Swing Line Loan of such Swing Line Lender on the Revolving Credit Termination Date (or on such earlier date on which the Loans become due and payable pursuant to Section 8) and (iii) the then unpaid principal amount of each Term Loan of such Term Loan Lender on the Term Loan Maturity Date (or on such earlier date on which the Loans become due and payable pursuant to Section 8). The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans from time to time outstanding from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.15.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent, on behalf of the Borrower, shall maintain the Register pursuant to Section 10.6(c), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Loan made hereunder and any Note evidencing such Loan, the Type of such Loan and each Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) both the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 2.8(b) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

(e) The Borrower agrees that, upon the request by the Administrative Agent as a result of a request to the Administrative Agent by any Lender, the Borrower will promptly execute and deliver to such Lender a promissory note of the Borrower evidencing any Term Loans, Revolving Credit Loans or Swing Line Loans, as the case may be, of such Lender, substantially in the forms of Exhibit F-1, F-2 or F-3, respectively (a "Term Note", "Revolving Credit Note" or "Swing Line Note", respectively), with appropriate insertions as to date and principal amount; provided, that delivery of Notes shall not be a condition precedent to the occurrence of the Closing Date or the making of the Loans or issuance of Letters of Credit on the Closing Date.

2.9 Commitment Fees, etc. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Credit Lender a commitment fee for the period from and including the Closing Date to the last day of the Revolving Credit Commitment Period, computed at the Commitment Fee Rate on the average daily amount of the Available Revolving Credit Commitment of such Lender during the period for which payment is made, payable quarterly in arrears on the last day of each March, June, September and December and on the Revolving Credit Termination Date, commencing on the first of such dates to occur after the Closing Date.

(b) The Borrower agrees to pay to the Syndication Agent and the Co-Documentation Agents the fees in the amounts and on the dates previously agreed to in writing by the Borrower and the Syndication Agent.

(c) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates from time to time agreed to in writing by the Borrower and the Administrative Agent.

2.10 Termination or Reduction of Revolving Credit Commitments. The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Revolving Credit Commitments or, from time to time, to reduce the aggregate amount of the Revolving Credit Commitments; provided that no such termination or reduction of Revolving Credit Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Credit Loans and Swing Line Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Total Revolving Credit Commitments. Any such reduction shall be in an amount equal to $1,000,000, or a whole multiple thereof, and shall reduce permanently the Revolving Credit Commitments then in effect.

2.11 Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty (except as otherwise provided herein), upon irrevocable notice delivered to the Administrative Agent no later than 11:00 A.M., New York City time, three Business Days prior thereto in the case of Eurodollar Loans and no later than 11:00 A.M., New York City time, one Business Day prior thereto in the case of Base Rate Loans, which notice shall specify the date and amount of such prepayment, whether such prepayment is of Term Loans or Revolving Credit Loans, and whether such prepayment is of Eurodollar Loans or Base Rate Loans; provided, that (i) if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21 and (ii) no prior notice is required for the prepayment of Swing Line Loans. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Credit Loans that are Base Rate Loans and Swing Line Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Term Loans and Revolving Credit Loans shall be in an aggregate principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof (or such lesser amount or integral to repay such Loan in full). Partial prepayments of Swing Line Loans shall be in an aggregate principal amount of $100,000 or a whole multiple of $50,000 in excess thereof (or such lesser amount or integral to repay such Loan in full).

2.12 Mandatory Prepayments. (a) If the Borrower or any of its Subsidiaries shall issue debt securities or instruments pursuant to a public offering or private placement (excluding any Indebtedness incurred in accordance with Section 7.2), then on the next Business Day following such issuance, the Term Loans shall be prepaid by an amount equal to the amount of the Net Cash Proceeds of such issuance (or such lesser amount to repay the Term Loans in full). The provisions of this Section do not constitute a consent to the incurrence of any Indebtedness by the Borrower or any of its Subsidiaries not permitted under Section 7.2.

(b) If on any date the Borrower or any of its Subsidiaries shall receive Net Cash Proceeds from any Asset Sale or Recovery Event then, unless a Reinvestment Notice shall be delivered in respect thereof, then on the next Business Day following the receipt of such Net Cash Proceeds, the Term Loans shall be prepaid by an amount equal to the amount of such Net Cash Proceeds (or such lesser amount to repay the Term Loans in full); provided, that, notwithstanding the foregoing, (i) the aggregate Net Cash Proceeds of Asset Sales and Recovery Events that may be excluded from the foregoing requirement pursuant to a Reinvestment Notice shall not exceed $25,000,000 in any fiscal year of the Borrower and (ii) on each Reinvestment Prepayment Date the Term Loans shall be prepaid by an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event. The provisions of this Section do not constitute a consent to the consummation of any Disposition not permitted by Section 7.5.

(c) If, for any fiscal year of the Borrower commencing with the fiscal year ending December 27, 2007, there shall be Excess Cash Flow, then, on the relevant Excess Cash Flow

Application Date, the Term Loans shall be prepaid by an amount equal to the ECF Percentage of such Excess Cash Flow (or such lesser amount to repay the Term Loans in full). Each such prepayment and commitment reduction shall be made on a date (an "Excess Cash Flow Application Date") no later than five Business Days after the earlier of (i) the date on which the financial statements of the Borrower referred to in Section 6.1(a), for the fiscal year with respect to which such prepayment is made, are required to be delivered to the Lenders and (ii) the date such financial statements are actually delivered.

(d) Notwithstanding anything to the contrary herein, mandatory prepayments of the Term Loans shall not be required to the extent such prepayment would result in a taxable gain for US Federal income tax purposes at such time to any member of the Borrower as a direct result thereof, with any limitations in the prepayment being supported by reasonably detailed calculations presented to the Administrative Agent within five Business Days of the date on which such prepayment would otherwise be due.

2.13 Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Eurodollar Loans to Base Rate Loans by giving the Administrative Agent at least two Business Days' prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may be made only on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert Base Rate Loans to Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election (which notice shall specify the length of the initial Interest Period therefor), provided that no Base Rate Loan under a particular Facility may be converted into a Eurodollar Loan (i) when any Event of Default has occurred and is continuing and the Administrative Agent has, or the Majority Facility Lenders in respect of such Facility have, determined in its or their sole discretion not to permit such conversions or (ii) after the date that is one month prior to the final scheduled termination or maturity date of such Facility. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) The Borrower may elect to continue any Eurodollar Loan as such upon the expiration of the then current Interest Period with respect thereto by giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loan, provided that no Eurodollar Loan under a particular Facility may be continued as such (i) when any Event of Default has occurred and is continuing and the Administrative Agent has, or the Majority Facility Lenders in respect of such Facility have, determined in its or their sole discretion not to permit such continuations or (ii) after the date that is one month prior to the final scheduled termination or maturity date of such Facility, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso, such Loans shall be converted automatically to Base Rate Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.14 Minimum Amounts and Maximum Number of Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions,

continuations and optional prepayments of Eurodollar Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to $1,000,000 or a whole multiple of $500,000 in excess thereof and (b) no more than twelve Eurodollar Tranches shall be outstanding at any one time.

2.15 Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin in effect for such day.

(b) Each Base Rate Loan shall bear interest for each day on which it is outstanding at a rate per annum equal to the Base Rate in effect for such day plus the Applicable Margin in effect for such day.

(c) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount (to the extent legally permitted) shall bear interest at a rate per annum that is equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to Base Rate Loans under the Revolving Credit Facility plus 2%, and (ii) if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to Base Rate Loans under the relevant Facility plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to Base Rate Loans under the Revolving Credit Facility plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (after as well as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand (i) on the same Business Day if demand is made by the Administrative Agent on or prior to 11:00 a.m., New York City time and (ii) on the next Business Day if demand is made by the Administrative Agent after 11:00 a.m., New York City time.

2.16 Computation of Interest and Fees. (a) Interest, fees and commissions payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to Base Rate Loans on which interest is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the Base Rate or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.15(a).

2.17 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(b) the Administrative Agent shall have received notice from the Majority Facility Lenders in respect of the relevant Facility that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period,

the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans under the relevant Facility requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (y) any Loans under the relevant Facility that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as Base Rate Loans and (z) any outstanding Eurodollar Loans under the relevant Facility shall be converted, on the last day of the then current Interest Period with respect thereto, to Base Rate Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans under the relevant Facility shall be made or continued as such, nor shall the Borrower have the right to convert Loans under the relevant Facility to Eurodollar Loans.

2.18 Pro Rata Treatment and Payments. (a) Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment fee or Letter of Credit fee, and any reduction of the Commitments of the Lenders, shall be made pro rata according to the respective Term Loan Percentages or Revolving Credit Percentages, as the case may be, of the relevant Lenders. Each payment of interest in respect of the Loans and each payment in respect of fees payable hereunder shall be applied to the amounts of such obligations owing to the Lenders pro rata according to the respective amounts then due and owing to the Lenders.

(b) Each mandatory prepayment required by Section 2.12 to be applied to Term Loans shall be allocated among the Term Loan Facilities pro rata according to the respective outstanding principal amounts of Term Loans under such Facilities. Each optional prepayment in respect of the Term Loans shall be allocated among the Term Loan Facilities in accordance with the Borrower's instructions. Each payment on account of principal of the Term Loans outstanding under the Term Loan Facility shall be allocated among the Term Loan Lenders holding such Term Loans pro rata based on the principal amount of such Term Loans held by such Term Loan Lenders. Amounts prepaid on account of the Term Loans may not be reborrowed.

(c) Each payment (including each prepayment) by the Borrower on account of principal of the Revolving Credit Loans shall be made pro rata according to the respective outstanding principal amounts of the Revolving Credit Loans then held by the Revolving Credit Lenders. Each payment in respect of Reimbursement Obligations in respect of any Letter of Credit shall be made to the Issuing Lender that issued such Letter of Credit.

(d) The application of any payment of Loans under any Facility (including optional and mandatory prepayments) shall be made, first, to Base Rate Loans under such Facility and, second, to Eurodollar Loans under such Facility. Each payment of the Loans (except in the case of Swing Line Loans and Revolving Credit Loans that are Base Rate Loans) shall be accompanied by accrued interest to the date of such payment on the amount paid.

(e) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 2:00 p.m., New York City time, on the due date thereof to the Administrative Agent, for the account of the relevant Lenders, at the Payment Office, in Dollars and in immediately available funds. Any payment made by the Borrower after 2:00 p.m., New York City time, on any Business Day shall be deemed to have been on the next following Business Day. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(f) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender’s share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to Base Rate Loans

under the relevant Facility, on demand from the Borrower (i) on the same Business Day if demand is made by the Administrative Agent on or prior to 11:00 a.m., New York City time and (ii) on the next Business Day if demand is made by the Administrative Agent after 11:00 a.m., New York City time.

(g) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

(h) Upon receipt by the Administrative Agent of payments on behalf of Lenders, the Administrative Agent shall promptly distribute such payments to the Lender or Lenders entitled thereto, in like funds as received by the Administrative Agent. Notwithstanding the foregoing, if the Administrative Agent receives any payment (whether voluntarily or involuntarily, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise) (the amount of such payment, the "Payment Amount") for the account of any Lender (whether in such Lender's capacity as a Term Loan Lender, Revolving Credit Lender or L/C Participant), and at the time of such receipt such Lender, in its capacity as L/C Participant, is in default in any of its obligations pursuant to Section 3.4(a) (the amount of such obligations in default, the "Defaulted Amount"), the Administrative Agent may withhold from the Payment Amount an amount up to the Defaulted Amount, and apply the amount so withheld toward payment to the relevant Issuing Lender of the Defaulted Amount or, if applicable, toward reimbursement of any other Person that has previously reimbursed such Issuing Lender for the Defaulted Amount.

2.19 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any Application or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by Section 2.20 and except for any tax on the overall net income of such Lender);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate hereunder; or

(iii) shall impose on such Lender any other condition (except for Non-Excluded Taxes covered by Section 2.20 and except for any tax on the overall net income of such Lender);

and the result of any of the foregoing is to increase the cost to such Lender, by an amount which such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this Section, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(c) A Lender shall be required to submit a certificate as to any additional amounts payable pursuant to this Section and any such certificate submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. Notwithstanding anything to the contrary in this Section, the Borrower shall not be required to compensate a Lender pursuant to this Section for any amounts incurred more than six months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefore; provided that, if the circumstances giving rise to such claim have a retroactive effect, then such six month period shall be extended to include the period of such retroactive effect. The obligations of the Borrower pursuant to this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.20 Taxes. (a) All payments made by the Borrower under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net

income taxes) imposed on any Agent or any Lender as a result of a present or former (or, in the case of U.S. net income taxes and U.S. franchise taxes imposed in lieu of U.S. net income taxes, present, former or future) connection between such Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from such Agent's or such Lender's having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or any Other Taxes are required to be withheld from any amounts payable to any Agent or any Lender hereunder, the amounts so payable to such Agent or such Lender shall be increased to the extent necessary to yield to such Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement; provided, however, that the Borrower shall not be required to increase any such amounts payable to any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's failure to comply with the requirements of paragraph (d) or (e) of this Section or (ii) that are United States withholding taxes imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement, except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such Non-Excluded Taxes pursuant to this paragraph (a).

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for the account of the relevant Agent or Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Agents and the Lenders for any incremental taxes, interest or penalties that may become payable by any Agent or any Lender as a result of any such failure. The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(d) Each Lender (or Transferee) that is not a "U.S. Person" as defined in Section 7701(a)(30) of the Code (a "Non-U.S. Lender") shall deliver to the Borrower and the Administrative Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest" a statement substantially in the form of Exhibit G and a Form W-8BEN, or any subsequent versions thereof or successors thereto properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date

such Participant purchases the related participation). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Non-U.S. Lender shall not be required to deliver any form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver.

(e) If an Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.20, it shall pay over such refund to Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.20 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of such Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the relevant Agent or Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Agent or such Lender in the event such Agent or Lender is required to repay such refund to such Governmental Authority). This Section 2.20(e) shall not be construed to require any Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower, any other Loan Party or any other Person.

2.21 Indemnity. The Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of Eurodollar Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment or conversion of Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank Eurodollar market. A Lender shall be required to submit a certificate as to any amounts payable pursuant to this Section and any such certificate submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.22 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, then, upon notice by such Lender to the Borrower (with a copy to the Administrative Agent), (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert Base Rate Loans to Eurodollar Loans shall forthwith be canceled and (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Base Rate Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.21.

2.23 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.19, 2.20(a) or 2.22 with respect to such Lender, it will use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that no such designation shall be required unless such designation can be made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of any Borrower or the rights of any Lender pursuant to Section 2.19, 2.20 or 2.22.

2.24 Replacement of Lenders under Certain Circumstances. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.19 or 2.20 or gives a notice of illegality pursuant to Section 2.22 or (b) defaults in its obligation to make Loans hereunder (a "Defaulting Lender"), with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Lender shall have taken no action under Section 2.23 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.19 or 2.20 or to eliminate the illegality referred to in such notice of illegality given pursuant to Section 2.22, (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 2.21 (as though Section 2.21 were applicable) if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.19 or 2.20, as the case may be, in respect of any period prior to the date on which such replacement shall be consummated, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

2.25 Incremental Credit Extensions. (a) The Borrower may at any time or from time to time after the Closing Date, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders), request (a) one or more additional tranches of term loans (the "Incremental Term Loans") or (b) one or more increases in the amount of the Revolving Credit Commitments (each such increase, a "Revolving Credit Commitment Increase"), provided that both at the time of any such request and upon the effectiveness of any Incremental Amendment referred to below (i) all representations and warranties in Section 4 shall be true and correct in all material respects, (ii) no Default or Event of Default shall exist or would result therefrom and (iii) the pro forma Consolidated Net Senior Secured Leverage Ratio of the Borrower and its Subsidiaries after giving effect to such Incremental Term Loans or Revolving Credit Commitment Increase shall not be greater than 5.50 to 1.00.

(b) Each tranche of Incremental Term Loans and each Revolving Credit Commitment Increase shall be in an aggregate principal amount that is a whole multiple of $5,000,000 which is not less than $25,000,000 (provided that such amount may be less than $25,000,000 if such amount represents all remaining availability under the limit set forth in the next sentence) and there shall be not more than four requests for Incremental Term Loans or Revolving Credit Commitment Increases. Notwithstanding anything to the contrary herein, the aggregate principal amount of the Incremental Term Loans and the aggregate amount of the Revolving Credit Commitment Increases shall not exceed $200,000,000.

(c) The Incremental Term Loans and Revolving Credit Loans made pursuant to the Revolving Credit Commitment Increases (a) shall rank pari passu in right of payment and of security with the Revolving Credit Loans and the Term Loans, (b) in the case of Incremental Term Loans, shall not mature earlier than the Term Loan Maturity Date or have a weighted average life which is shorter than the than the remaining average life of the Term Loans and (c) except as set forth above, shall be treated substantially the same as or less favorably than the Term Loans or the Revolving Credit Loans, as the case may be (in each case, including with respect to mandatory and voluntary prepayments and voting rights), provided that the interest rates applicable to the Incremental Term Loans shall be determined by the Borrower and the lenders thereof so long as the applicable margin with respect to such Incremental Term Loans is not more than 0.25% higher than the Applicable Margin for the Term Loan Facility.

(d) Each notice from the Borrower pursuant to this Section 2.25 shall set forth the requested amount and proposed terms of the relevant Incremental Term Loans or Revolving Credit Commitment Increases. Incremental Term Loans may be made, and Revolving Credit Commitment Increases may be provided, by any existing Lender or by any other bank or other financial institution selected by the Borrower (any such bank or other financial institution being called an "Additional Lender"), provided that the Administrative Agent shall have consented (not to be unreasonably withheld) to such Lender's or Additional Lender's providing any such Revolving Credit Commitment Increases if such consent would be required under Section 10.1 for an assignment of Loans or Commitments, as applicable, to such Lender or Additional Lender. Commitments in respect of Incremental Term Loans and Revolving Credit Commitment Increases shall become Commitments (or in the case of a Revolving Credit Commitment Increase to be provided by an existing Revolving Credit Lender, an increase in such Lender's applicable Revolving Credit Commitment) under this Agreement pursuant to an amendment (an

"Incremental Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Lender agreeing to provide such Commitment, if any, each Additional Lender, if any, and the Administrative Agent. The Incremental Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.25. The effectiveness of any Incremental Amendment shall be subject to the satisfaction on the date thereof (each, an "Incremental Facility Closing Date") of each of the conditions set forth in Section 5.2 and such other conditions as the parties thereto shall agree. The Borrower will use the proceeds of the Incremental Term Loans and the Revolving Credit Commitment Increases for any purpose not prohibited by this Agreement. No Lender shall be obligated to provide any Incremental Term Loans or Revolving Credit Commitment Increases, unless it so agrees. Upon each increase in the Revolving Credit Commitments pursuant to this Section 2.25, each Revolving Credit Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each Lender providing a portion of the Revolving Credit Commitment Increase (each a "Revolving Credit Commitment Increase Lender") in respect of such increase, and each such Revolving Credit Commitment Increase Lender will automatically and without further act be deemed to have assumed, a portion of such Revolving Credit Lender's participations hereunder in outstanding Letters of Credit and Swing Line Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding (i) participations hereunder in Letters of Credit and (ii) participations hereunder in Swing Line Loans held by each Revolving Credit Lender (including each such Revolving Credit Commitment Increase Lender) will equal the percentage of the aggregate Revolving Credit Commitments of all Revolving Credit Lenders represented by such Revolving Credit Lender's Revolving Credit Commitment and (b) if, on the date of such increase, there are any Revolving Credit Loans outstanding, the Revolving Credit Lenders (including the Additional Lenders) shall make such payments as directed by the Administrative Agent in order that the Revolving Credit Loans are held by the Revolving Credit Lenders (including Additional Lenders) ratably in accordance with the increased Revolving Credit Commitments (and interest and other payments shall be adjusted accordingly).

(e) The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to this Section 2.25.

(f) This Section 2.25 shall supersede any provisions in Section 2.18 or 10.1 to the contrary.

SECTION 3. LETTERS OF CREDIT

3.1 L/C Commitment. (a) Subject to the terms and conditions hereof, each Issuing Lender, in reliance on the agreements of the other Revolving Credit Lenders set forth in Section 3.4, agrees to issue letters of credit (the "Letters of Credit") for the account of the Borrower on any Business Day during the Revolving Credit Commitment Period in such form as may be approved from time to time by such Issuing Lender; provided, that no Issuing Lender shall have any obligation to issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment or (ii) the aggregate amount of the

Available Revolving Credit Commitments would be less than zero. Each Letter of Credit shall (i) be denominated in Dollars and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date which is five Business Days prior to the Revolving Credit Termination Date; provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above).

(b) No Issuing Lender shall at any time be obligated to issue any Letter of Credit hereunder if such issuance would conflict with, or cause such Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law.

3.2 Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that an Issuing Lender issue a Letter of Credit by delivering to such Issuing Lender at its address for notices specified herein an Application therefor, completed to the satisfaction of such Issuing Lender, and such other certificates, documents and other papers and information as such Issuing Lender may reasonably request. Concurrently with the delivery of an Application to an Issuing Lender, the Borrower shall deliver a copy thereof to the Administrative Agent. Upon receipt of any Application, an Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by such Issuing Lender and the Borrower (but in no event shall any Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto). Promptly after issuance by an Issuing Lender of a Letter of Credit, such Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower. Each Issuing Lender shall promptly give notice to the Administrative Agent of the issuance of each Letter of Credit issued by such Issuing Lender (including the face amount thereof), and shall provide a copy of such Letter of Credit to the Administrative Agent as soon as possible after the date of issuance.

3.3 Fees and Other Charges. (a) The Borrower will pay a fee on the aggregate drawable amount of all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Revolving Credit Facility, shared ratably among the Revolving Credit Lenders in accordance with their respective Revolving Credit Percentages and payable quarterly in arrears on each L/C Fee Payment Date after the issuance date. In addition, the Borrower shall pay to the relevant Issuing Lender for its own account a fronting fee on the aggregate drawable amount of all outstanding Letters of Credit issued by it at a rate per annum to be agreed upon by such Issuing Lender and the Borrower, payable quarterly in arrears on each L/C Fee Payment Date after the issuance date.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse each Issuing Lender for such normal and customary costs and expenses as are incurred or charged by such Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

3.4 L/C Participations. (a) Each Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce each Issuing Lender to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from each Issuing Lender, on the terms and conditions hereinafter stated, for such L/C Participant's own account and risk, an undivided interest equal to such L/C Participant's Revolving Credit Percentage in each Issuing Lender's obligations and rights under each Letter of Credit issued by such Issuing Lender hereunder and the amount of each draft paid by such Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with each Issuing Lender that, if a draft is paid under any Letter of Credit issued by such Issuing Lender for which such Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C Participant shall pay to the Administrative Agent for the account of such Issuing Lender upon demand at such Issuing Lender's address for notices specified herein (and thereafter the Administrative Agent shall promptly pay to such Issuing Lender) an amount equal to such L/C Participant's Revolving Credit Percentage of the amount of such draft, or any part thereof, that is not so reimbursed. Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against the Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(b) If any amount (a "Participation Amount") required to be paid by any L/C Participant to an Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by such Issuing Lender under any Letter of Credit is paid to such Issuing Lender within three Business Days after the date such payment is due, such Issuing Lender shall so notify the Administrative Agent, which shall promptly notify the L/C Participants, and each L/C Participant shall pay to the Administrative Agent, for the account of such Issuing Lender, on demand (and thereafter the Administrative Agent shall promptly pay to such Issuing Lender) an amount equal to the product of (i) such Participation Amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to such Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any Participation Amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the Administrative Agent for the account of the relevant Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, the Administrative Agent on behalf of such Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such Participation Amount with interest thereon calculated from such due date at the rate per annum applicable to Base Rate Loans under the Revolving Facility. A certificate of the Administrative Agent submitted on behalf of an Issuing Lender to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after an Issuing Lender has made payment under any Letter of Credit and has received from the Administrative Agent any L/C Participant's pro rata share of such payment in accordance with Section 3.4(a), such Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by such Issuing Lender), or any payment of interest on account thereof, such Issuing Lender will distribute to the Administrative Agent for the account of such L/C Participant (and thereafter the Administrative Agent will promptly distribute to such L/C Participant) its pro rata share thereof; provided, however, that in the event that any such payment received by such Issuing Lender shall be required to be returned by such Issuing Lender, such L/C Participant shall return to the Administrative Agent for the account of such Issuing Lender (and thereafter the Administrative Agent shall promptly return to such Issuing Lender) the portion thereof previously distributed by such Issuing Lender.

3.5 Reimbursement Obligation of the Borrower. The Issuing Lender shall notify the Borrower of the date and amount of a draft presented under any Letter of Credit and paid by such Issuing Lender. The Borrower shall reimburse the Issuing Lender (x) on the same Business Day if demand is made by the Issuing Lender on or prior to 11:00 a.m., New York City time and (y) on the next Business Day if demand is made by the Issuing Lender after 11:00 a.m., New York City time, for the amount of (a) such draft so paid and (b) any taxes, fees, charges or other out-of-pocket costs or expenses incurred by such Issuing Lender in connection with such payment, other than taxes (i) based upon net income or (ii) payable pursuant to Section 2.20 (the amounts described in the foregoing clauses (a) and (b) in respect of any drawing, collectively, the "Payment Amount"). Each such payment shall be made to such Issuing Lender at its address for notices specified herein in lawful money of the United States of America and in immediately available funds. Interest shall be payable on each Payment Amount from the date of the applicable drawing until payment in full at the rate set forth in (i) until the second Business Day following the date of the applicable drawing, Section 2.15(a) and (ii) thereafter, Section Section 2.15(b). Each drawing under any Letter of Credit shall (unless an event of the type described in clause (i) or (ii) of Section 8(f) shall have occurred and be continuing with respect to the Borrower, in which case the procedures specified in Section 3.4 for funding by L/C Participants shall apply) constitute a request by the Borrower to the Administrative Agent for a borrowing pursuant to Section 2.5 of Base Rate Loans (or, at the option of the Administrative Agent and the Swing Line Lender in their sole discretion, a borrowing pursuant to Section 2.7 of Swing Line Loans) in the amount of such drawing. The Borrowing Date with respect to such borrowing shall be the first date on which a borrowing of Revolving Credit Loans (or, if applicable, Swing Line Loans) could be made, pursuant to Section 2.5 (or, if applicable, Section 2.7), if the Administrative Agent had received a notice of such borrowing at the time the Administrative Agent receives notice from the relevant Issuing Lender of such drawing under such Letter of Credit.

3.6 Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against any Issuing Lender, any beneficiary of a Letter of Credit or any other Person; provided, however, that nothing in this Section 3.6 shall constitute a waiver of any remedies of the Borrower in connection with the Letters of Credit. The Borrower also agrees with each Issuing Lender that such Issuing Lender shall not be responsible for, and the Borrower's Reimbursement Obligations

under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. No Issuing Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Issuing Lender. The Borrower agrees that any action taken or omitted by an Issuing Lender under or in connection with any Letter of Credit issued by it or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards of care specified in the Uniform Commercial Code of the State of New York, shall be binding on the Borrower and shall not result in any liability of such Issuing Lender to the Borrower.

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the relevant Issuing Lender shall promptly notify the Borrower and the Administrative Agent of the date and amount thereof. The responsibility of the relevant Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit, in addition to any payment obligation expressly provided for in such Letter of Credit issued by such Issuing Lender, shall be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment appear on their face to be in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of Sections 3 through 8 of this Agreement, the provisions of this Agreement shall apply.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Agents and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit the Borrower hereby represents and warrants to each Agent and each Lender that:

4.1 Financial Condition. (a) The unaudited pro forma consolidated balance sheet of Holdings as at September 28, 2006 (including the notes thereto) (the “Pro Forma Balance Sheet”) and the unaudited pro forma statement of operations of Holdings for the nine month period ending on such date (the “Pro Forma Statement of Operations”), copies of which have heretofore been furnished to the Administrative Agent, have been prepared assuming that the transactions discussed in the section of the Final Prospectus entitled “Unaudited Pro Forma Financial Information” had been completed and the material changes to contractual arrangements discussed in such section of the Final Prospectus, which will occur in connection with the completion of the offering and related transactions discussed in such section of the Final Prospectus, had become effective, in each case as of September 28, 2006 (with respect to the Pro Forma Balance Sheet) and as of the first day of such nine month period (with respect to the Pro Forma Statement of Operations), and were based upon assumptions which, in light of the

circumstances under which they were prepared, were believed by the Borrower or Holdings in good faith to be reasonable (it being understood that such projections are by their nature inherently uncertain and actual results may differ materially from such projections).

The Pro Forma Balance Sheet and the Pro Forma Statement of Operations do not purport to reflect the results of operations or financial position of Holdings and the Borrower that would have occurred had they operated as separate, independent companies during the periods presented. The historical results of operations of the Borrower have been significantly impacted by related party transactions. The pro forma consolidated financial information should not be relied upon as being indicative of the results of operations or financial condition of Holdings or the Borrower had the contractual adjustments and the transaction adjustments referred to in the foregoing paragraph been completed on the first day of such nine month period, with respect to the Pro Forma Statement of Operations, and as of September 28, 2006, with respect to the Pro Forma Balance Sheet.

(b) The audited consolidated balance sheets of the Borrower as of December 29, 2005 and September 28, 2006, and the related consolidated statements of operations, members' equity and of cash flows for the nine month periods ended on such dates, reported on by and accompanied by a report from Deloitte & Touche LLP, copies of which have heretofore been furnished to the Administrative Agent, present fairly, in all material respects, the consolidated financial position of the Borrower and its consolidated Subsidiaries as of such dates, and the consolidated results of its operations and its consolidated cash flows for the respective nine month periods then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein).

4.2 No Change. Since September 28, 2006 there has been no development or event that has had or would reasonably be expected to have a Material Adverse Effect.

4.3 Corporate Existence; Compliance with Law. Each of the Borrower and its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the limited liability company or other organizational power and authority, and the legal right, to own and operate its Property, to lease the Property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign limited liability company or other organization and in good standing under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification except, with respect to this clause (c), where the failure to be so qualified or in good standing would not reasonably be expected to result in a Material Adverse Effect and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations. Each Loan Party has the limited liability company or other organizational power and authority, and the legal right, to make, deliver and perform its obligations under the Loan Documents to which it is a party and, in the case of the Borrower, to borrow hereunder. Each Loan Party has taken all necessary

limited liability company or other action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the borrowings on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by, any Governmental Authority or any other Person is required on the part of or in respect of any Loan Party in connection with the borrowings hereunder or the execution, delivery and performance by the Loan Parties party thereto of this Agreement or any of the other Loan Documents, except (i) such consents, authorizations, filings and notices as have been obtained or made and are in full force and effect, (ii) the Borrowing Notices, Reinvestment Notices and any other notices required to be delivered by the Borrower under the Loan Documents, (iii) the filings referred to in Section 4.19 and any other filings necessary to perfect the Liens and security interests under the Security Documents and (iv) those consents, authorizations, filings, notices or actions, the failure of which to obtain or make, would not reasonably be expected to have a Material Adverse Effect. Each existing Loan Document has been duly executed and delivered on behalf of each Loan Party that is a party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents by the Loan Parties thereto, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of the Borrower or any of its Subsidiaries, as such may be applicable to or binding on each, and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any such Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents).

4.6 No Material Litigation. No litigation, proceeding or, to the knowledge of the Borrower, investigation, of or before any arbitrator or Governmental Authority is pending or, to the knowledge of a Responsible Officer, threatened by or against the Borrower or any of its Subsidiaries or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that would reasonably be expected to have a Material Adverse Effect.

4.7 No Default. Neither the Borrower nor any of its Subsidiaries is in default under or with respect to any of its Contractual Obligations in any respect that would reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each of the Borrower and its Subsidiaries has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, license of or right to use all its other Property, except to the extent failure to have such title or valid leasehold interest in, license of or right to use such Property would not reasonably be expected to have a Material Adverse Effect. None of the Collateral or other Material Property of the Borrower or any Subsidiary is subject to any Lien except as permitted by Section 7.3.

4.9 Intellectual Property. The Borrower and each of its Subsidiaries owns, or is licensed to use, or, to the knowledge of the Borrower, can acquire or license on reasonable terms, all Intellectual Property necessary for the conduct of its business as currently conducted. No claim that is likely to result in an adverse determination against the Borrower and, if adversely determined, would reasonably be expected to have a Material Adverse Effect has been asserted in writing and is pending against the Borrower or any of its Subsidiaries by any Person alleging an infringement by the Borrower of such Person's Intellectual Property or the validity of the Borrower's right to use any of such Person's Intellectual Property, nor does the Borrower know of any valid basis for any such claim. To the knowledge of the Borrower, the use of such Intellectual Property by the Borrower and its Subsidiaries does not infringe on the Intellectual Property rights of any Person in any material respect, except for any such infringements that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

4.10 Taxes. The Borrower and each of its Subsidiaries has filed or caused to be filed all Federal and other material tax returns that are required to be filed by it and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its Property and all other taxes, fees or other charges imposed on it or any of its Property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or its Subsidiaries, as the case may be, or to the extent the failure to file or pay would not reasonably be expected to have a Material Adverse Effect); and no tax Lien has been filed, and, to the knowledge of the Borrower, no claim is being asserted, with respect to any such tax, fee or other charge.

4.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for "purchasing" or "carrying" any "margin stock" within the meanings of each such term under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable referred to in Regulation U.

4.12 Labor Matters. There are no strikes or other labor disputes against the Borrower or any of its Subsidiaries pending or, to the knowledge of the Borrower, threatened in writing that (individually or in the aggregate) would reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of the Borrower and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters that (individually or in the aggregate) would reasonably be expected to have a Material Adverse Effect. All payments due from the Borrower or any of its Subsidiaries on account of employee health and welfare insurance that (individually or in the aggregate) would reasonably be expected to have a Material Adverse Effect if not paid have been paid or accrued as a liability on the books of the Borrower or the relevant Subsidiary.

4.13 ERISA. Neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by a material amount. Neither the Borrower nor any Commonly Controlled Entity has incurred any withdrawal liability under Title IV of ERISA which remains unsatisfied that would reasonably be expected to have a Material Adverse Effect, and neither the Borrower nor any Commonly Controlled Entity would become subject to any withdrawal liability under ERISA that would reasonably be expected to have a Material Adverse Effect if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. No such Multiemployer Plan is in Reorganization or Insolvent.

4.14 Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

4.15 Subsidiaries. As of the Closing Date, the Borrower has no Subsidiaries.

4.16 Use of Proceeds. The proceeds of the Term Loans and the Revolving Credit Loans shall be used for the purposes set forth in the recitals hereof. The proceeds of the Swing Line Loans and the Letters of Credit, shall be used for working capital and general corporate purposes.

4.17 Environmental Matters. Other than exceptions to any of the following that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect:

(a) The Borrower and its Subsidiaries: (i) are, and within the period of all applicable statutes of limitation have been, in compliance with all applicable Environmental Laws; (ii) hold all Environmental Permits (each of which is in full force and effect) required for any of their operations or for any property owned, leased, or otherwise operated by any of them; (iii) are, and within the period of all applicable statutes of limitation have been, in compliance with all of their Environmental Permits; and (iv) reasonably believe that: each of their Environmental Permits will be timely renewed and complied with; any additional Environmental Permits that are required of any of them will be timely obtained and complied with; and compliance with any Environmental Law that is applicable to any of them will be timely attained and maintained.

(b) Materials of Environmental Concern are not present at, on, under, in, or about any real property now or formerly owned, leased or operated by the Borrower or any of its Subsidiaries, or at any other location (including, without limitation, any location to which Materials of Environmental Concern have been sent for re-use or recycling or for treatment, storage, or disposal) which would reasonably be expected to (i) give rise to liability of the Borrower or any of its Subsidiaries under any applicable Environmental Law or otherwise result in costs to the Borrower or any of its Subsidiaries, or (ii) interfere with the Borrower's or any of its Subsidiaries' continued operations, or (iii) impair the fair saleable value of any real property owned or leased by the Borrower or any of its Subsidiaries.

(c) There is no judicial, administrative, or arbitral proceeding (including any notice of violation or alleged violation) under or relating to any Environmental Law to which the Borrower or any of its Subsidiaries is, or to the knowledge of the Borrower or any of its Subsidiaries will be, named as a party that is pending or, to the knowledge of the Borrower or any of its Subsidiaries, threatened in writing.

(d) Neither the Borrower nor any of its Subsidiaries has received any written request for information, or been notified that it is a potentially responsible party, in each case under or relating to the federal Comprehensive Environmental Response, Compensation, and Liability Act or any similar Environmental Law, or with respect to any Materials of Environmental Concern.

(e) Neither the Borrower nor any of its Subsidiaries has entered into or agreed to any consent decree, order, or settlement or other agreement, or is subject to any judgment, decree, or order or other agreement, in any judicial, administrative, arbitral, or other forum for dispute resolution, relating to compliance with or liability under any Environmental Law.

(f) Neither the Borrower nor any of its Subsidiaries has assumed or retained, by contract or operation of law, any liabilities of any kind, fixed or contingent, known or unknown, under any Environmental Law or with respect to any Material of Environmental Concern.

4.18 Accuracy of Information, etc. No statement or information (other than general market, industry or economic data) contained in this Agreement, any other Loan Document, the Registration Statement or any other document, certificate or written statement furnished to the Administrative Agent or the Lenders or any of them, by or on behalf of any Loan Party for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, taken as a whole and in light of the circumstances under which they were made, contained as of the date such statement, information, document or certificate was made or so furnished (or, in the case of the Registration Statement, as of the date such Registration Statement was filed with the SEC), any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained herein or therein not misleading. The projections and pro forma financial information contained in the materials referenced above are based upon estimates and assumptions believed by the Borrower in good faith to be reasonable at the time made, it being recognized by the Lenders that such financial

information as it relates to future events is not to be viewed as fact, that projections by their nature are inherently uncertain, that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein and such differences may be material.

4.19 Security Documents. (a) The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of any Pledged Stock required to be pledged pursuant to the Guarantee and Collateral Agreement in which a security interest may be perfected only by possession or control (within the meanings assigned to such terms in the applicable Uniform Commercial Code), when any stock certificates representing such Pledged Stock are delivered to the Administrative Agent, and in the case of the other Collateral described in the Guarantee and Collateral Agreement with respect to which perfection is governed by filing of a financing statement, when financing statements in appropriate form are filed in the offices specified on Schedule 4.19(a)(i) (which financing statements have been duly completed and delivered to the Administrative Agent) [and such other filings as are specified on Schedule 3 to the Guarantee and Collateral Agreement have been completed], the Guarantee and Collateral Agreement shall constitute a fully perfected security interest in (and, if applicable, Lien on), all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations (as defined in the Guarantee and Collateral Agreement) to the extent such security interest can be perfected by the filing of a financing statement pursuant to the applicable Uniform Commercial Code or by possession or control by the Administrative Agent under the applicable Uniform Commercial Code, in each case prior and superior in right to any other Person (except, in the case of Collateral other than Pledged Stock, Liens permitted by Section 7.3, and, in the case of Pledged Stock, Liens permitted by Section 7.3(a) to the extent such Liens are prior and superior to the Liens granted under the Security Documents by operation of law). Schedule 4.19(a)(ii) lists each UCC Financing Statement that (i) names any Loan Party as debtor and (ii) will remain on file after the Closing Date. Schedule 4.19(a)(iii) lists each UCC Financing Statement that (i) names any Loan Party as debtor and (ii) will be terminated on or prior to the Closing Date.

(b) As of the Closing Date, neither the Borrower nor any of its Subsidiaries owns any real property.

4.20 Solvency. Each Loan Party is, and after giving effect to the Transaction and the incurrence of all Indebtedness and obligations being incurred in connection herewith and therewith, and on each Borrowing Date thereafter will be, Solvent.

4.21 Certain Documents. The Borrower has delivered to the Administrative Agent a complete and correct copy of the ESAs, the Management Agreement and the Tax Receivable Agreement as in effect on the Closing Date, including any amendments, supplements or modifications with respect to any of the foregoing through the Closing Date.

5.1 Conditions to Initial Extension of Credit. The agreement of each Lender to make the initial extension of credit requested to be made by it hereunder is subject to the satisfaction, prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received (i) this Agreement, executed and delivered by a duly authorized officer of the Borrower, (ii) the Guarantee and Collateral Agreement, executed and delivered by a duly authorized officer of the Borrower and (iii) a Lender Addendum executed and delivered by each Lender and accepted by the Borrower.

(b) Initial Public Offering. The initial public offering of the common stock of Holdings shall have been consummated, or shall be consummated simultaneously with such initial extension of credit hereunder, on terms substantially similar to the terms described in the Final Prospectus.

(c) Pro Forma Balance Sheet; Financial Statements. The Lenders shall have received (i) the Pro Forma Balance Sheet and the Pro Forma Statement of Operations and (ii) audited consolidated financial statements of the Borrower for the nine month periods ended on December 29, 2005 and September 28, 2006.

(d) Approvals. All governmental and third party approvals on the part of or in respect of the Borrower necessary in connection with the Transaction, the financing contemplated hereby and the continuing operations of the Borrower and its Subsidiaries shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the Transaction or the financing contemplated hereby.

(e) Related Agreements; No Default. The Administrative Agent shall have received (in form and substance reasonably satisfactory to the Administrative Agent), true and correct copies, certified as to authenticity by the Borrower, of (i) the ESAs, (ii) the Management Agreement, (iii) the Tax Receivable Agreement and (iv) such other documents or instruments as may be reasonably requested by the Administrative Agent, including, without limitation, a copy of any debt instrument, security agreement or other material contract to which the Loan Parties may be a party. There shall be no default under any of the ESAs, the Management Agreement, the Tax Receivable Agreement or any other material Contractual Obligation of the Borrower or its Subsidiaries.

(f) Capital Structure. The capital structure of Holdings, the Borrower and its Subsidiaries after giving effect to the Transaction shall be as described in the Final Prospectus in all material respects.

(g) Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including reasonable fees, disbursements and other charges of counsel to the Agents), on or before

the Closing Date. All such amounts will be paid with proceeds of Loans made on the Closing Date and will be reflected in the funding instructions given by the Borrower to the Administrative Agent on or before the Closing Date.

(h) Projections. The Lenders shall have received satisfactory projections through fiscal year 2010.

(i) Solvency Analysis. The Lenders shall have received a solvency certificate from the chief financial officer of the Borrower substantially in the form of Exhibit J hereto.

(j) Ratings. The Facilities shall have received ratings from each of Moody's Investors Service, Inc. and Standard & Poor's Ratings Services.

(k) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions where the Loan Parties are organized, and such search shall reveal no liens on any of the assets of the Loan Party, except for Liens permitted by Section 7.3 or Liens that are to be terminated as contemplated by Section 4.19.

(l) Closing Certificate. The Administrative Agent shall have received a certificate of each Loan Party, dated the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments.

(m) Legal Opinion. The Administrative Agent shall have received the executed legal opinion of Holme Roberts & Owen LLP, counsel to the Borrower, substantially in the form of Exhibit F. Such legal opinion shall cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require and shall be addressed to the Administrative Agent and the Lenders.

(n) Filings, Registrations and Recordings. Each document (including, without limitation, any Uniform Commercial Code financing statement) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 7.3), shall have been filed, registered or recorded or shall have been delivered to the Administrative Agent in proper form for filing, registration or recordation.

(o) Insurance. The Administrative Agent shall have received insurance certificates satisfying the requirements of Section 5.3 of the Guarantee and Collateral Agreement.

(p) PATRIOT Act. The Lenders shall have received, sufficiently in advance of the Closing Date, all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the United States PATRIOT Act.

(q) Termination of Certain Liens. The Borrower will have delivered to the Administrative Agent, or caused to be filed (if applicable), either (i) duly completed UCC termination statements in respect of each UCC Financing Statement listed on Schedule 4.19(a)(iii) or (ii) one or more executed payoff letters reasonably acceptable to the Administrative Agent.

5.2 Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it hereunder on any date (including, without limitation, its initial extension of credit) is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date, except to the extent such representations and warranties relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 5.2 have been satisfied.

SECTION 6. AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or any Agent hereunder (other than indemnity obligations that survive the termination of this Agreement and for which no notice of a claim has been received by the Borrower as of such termination), the Borrower shall and shall cause each of its Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent (for distribution to the other Agents and each Lender):

(a) as soon as available, but in any event within 100 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such fiscal year and the related audited consolidated statements of income and of cash flows for such fiscal year, setting forth in each case in comparative form the figures as of the end of and for the previous fiscal year (provided that no such comparative information shall be required for the audited financial statements delivered for the fiscal year ending December 2007), reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Deloitte & Touche LLP or other independent certified public accountants of nationally recognized standing; and

(b) as soon as available, but in any event not later than 50 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures as of the end of and for the corresponding period in the previous year (provided that no such comparative information shall be required for the financial statements delivered for any fiscal quarter in the fiscal year ending December 2007), certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of footnotes);

all such financial statements shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as approved by such accountants or officer, as the case may be, and disclosed therein).

6.2 Certificates; Other Information. Furnish to the Administrative Agent (for distribution to the other Agents and each Lender), or, in the case of clause (e), to the relevant Lender:

(a) concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) a certificate of a Responsible Officer stating that, (x) such financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Borrower and its consolidated Subsidiaries in accordance with GAAP applied consistently throughout the periods reflected therein (except for the absence of footnotes and subject to year end audit adjustments) and (y) that such Responsible Officer has obtained no knowledge of any Default or Event of Default that has occurred and is continuing except as specified in such certificate and (ii) in the case of quarterly or annual financial statements, (x) a Compliance Certificate containing all information and calculations necessary for determining compliance by the Borrower and its Subsidiaries with the provisions of Section 7.1 of this Agreement as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be and (y) any UCC financing statements or other filings specified in such Compliance Certificate as being required to be delivered therewith;

(b) as soon as available, and in any event no later than 60 days after the end of each fiscal year of the Borrower, a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year, and the related consolidated statements of projected cash flow and projected income and a description of the underlying assumptions applicable thereto) (collectively, the "Projections"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections are based upon assumptions which, in light of the circumstances under which they were made, are believed by the Borrower in good faith to be reasonable at the time made (it being understood that such projections by their nature are inherently uncertain and that actual results may differ from the projected results by a material amount);

(c) within 50 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower and within 100 days after the end of the fourth quarterly period of each fiscal year of the Borrower, a narrative discussion and analysis of the financial condition and results of operations of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, as compared to the portion of the Projections covering such periods and to the comparable periods of the previous year (provided that no such comparative information shall be required for any Projections covering the fiscal year ending December 2007 or any fiscal quarter in the fiscal year ending December 2007); provided that the information required pursuant to this clause (d) shall be deemed to have been delivered to the Administrative Agent on the date on which the Borrower delivers to the Administrative Agent copies of the quarterly or annual (as applicable) financial statements and reports containing such information as filed by Holdings or the Borrower, as applicable, with the SEC;

(d) within five Business Days after the same are sent, copies of all financial statements and reports that the Borrower sends to the holders of any class of its debt securities or public equity securities and, within five Business Days after the same are filed, copies of all financial statements and reports that the Borrower may make to, or file with, the SEC; and

(e) promptly, such additional financial and other information as any Lender may from time to time reasonably request; provided that in no event shall the Borrower or any Subsidiary be required to provide any documentation subject to attorney-client privilege, work product doctrine or other applicable legal privileges.

6.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or, if later, before they become delinquent, all its obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Borrower or its Subsidiaries, as the case may be, or to the extent failure to pay, discharge or satisfy such obligations would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6.4 Conduct of Business and Maintenance of Existence; Compliance. (a)(i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except, in the case of clause (ii) above, to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations and Requirements of Law applicable to it or to its business or Property, except to the extent that failure to comply therewith would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. (a) Keep all material Property and systems necessary in its business in good working order and condition, ordinary wear and tear excepted and (b) maintain with financially sound and reputable insurance companies insurance

on all its material Property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as the Borrower deems adequate for its business in its reasonable business judgment.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct (in all material respects) entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities and (b) permit representatives of the Administrative Agent or any Lender, at reasonable times during its business hours at reasonable intervals and upon reasonable advance notice, to (i) visit and inspect any of its properties, (ii) examine and make abstracts from any of its books and records and (iii) to discuss the business, operations, properties and financial and other condition of the Borrower and its Subsidiaries with officers of the Borrower and its Subsidiaries and with its independent certified public accountants; provided that (x) so long as no Event of Default has occurred and is continuing, only the Administrative Agent as representative of the Lenders may exercise rights of the Administrative Agent and the Lenders pursuant to this Section 6.6 and the Administrative Agent shall not exercise such rights more often than two times during any calendar year each of which shall be at the expense of the Administrative Agent and the Lenders and (y) at any time when an Event of Default has occurred and is continuing, the Administrative Agent or any Lender (or any of their respective representatives) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent public accountants. In no event shall the Borrower or any Subsidiary be required to discuss, provide or otherwise make available for review, examination or inspection or copying any documentation subject to attorney-client privilege or work product doctrine.

6.7 Notices. Promptly give notice to the Administrative Agent (to be distributed by the Administrative Agent to the other Agents and the Lenders):

(a) within five Business Days after a Responsible Officer of the Borrower knows of the occurrence of any Default or Event of Default that has not been cured within such five Business Day period;

(b) within five Business Days after a Responsible Officer of the Borrower knows of any (i) default or event of default under any Contractual Obligation of the Borrower or any of its Subsidiaries or (ii) litigation, investigation or proceeding which may exist at any time between the Borrower or any of its Subsidiaries and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, would reasonably be expected to have a Material Adverse Effect;

(c) within five Business Days after a Responsible Officer of the Borrower knows of any litigation or proceeding affecting the Borrower or any of its Subsidiaries (i) in which the liability of the Borrower or any of its Subsidiaries would be $10,000,000 or more and not covered by insurance, (ii) in which injunctive or similar relief is sought that, if adversely determined, would reasonably be expected to have a Material Adverse Effect or (iii) which relates to any Loan Document;

(d) the following events, as soon as possible and in any event within 30 days after a Responsible Officer of the Borrower knows thereof: (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan;

(e) as soon as possible and in any event within 30 days of a Responsible Officer obtaining knowledge thereof: (i) any development, event, or condition that, individually or in the aggregate with other developments, events or conditions, would reasonably be expected to result in the payment by the Borrower and its Subsidiaries, in the aggregate, of a Material Environmental Amount; and (ii) any notice that any governmental authority may deny any application for an Environmental Permit sought by, or revoke or refuse to renew any Environmental Permit held by, the Borrower, that would materially and adversely affect the operations of the Borrower and its Subsidiaries; and

(f)(i) within five Business Days after a Responsible Officer of the Borrower knows of any development or event that has had a Material Adverse Effect and (ii) within five Business Days after a determination by a Responsible Officer that a development or event has occurred that would reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Borrower or the relevant Subsidiary proposes to take with respect thereto.

6.8 Environmental Laws. (a) Comply in all material respects with, and use commercially reasonable efforts to cause compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

6.9 Interest Rate Protection. In the case of the Borrower, within 90 days after the Closing Date, enter into, and thereafter maintain for a period of not less than three years, Hedge Agreements to the extent necessary to provide that at least 50% of the aggregate outstanding principal amount of the Term Loans from time to time is subject to either a fixed interest rate or interest rate protection, which Hedge Agreements shall have terms and conditions reasonably satisfactory to the Administrative Agent.

6.10 Additional Collateral, etc. (a) With respect to any Property acquired after the Closing Date by the Borrower or any Subsidiary Guarantor (other than (x) any real property or any Property described in paragraph (b) of this Section, (y) any Property subject to a Lien expressly permitted by Section 7.3(g) and (z) any equity interest in or Property of a Foreign Subsidiary) as to which the Administrative Agent, for the benefit of the Secured Parties, does not have a perfected Lien, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent deems necessary to grant to the Administrative Agent, for the benefit of the Secured Parties, a security interest in such Property and (ii) take all actions necessary to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected security interest in such Property, in each case prior and superior in right to any other Person (except, in the case of Collateral other than Pledged Stock, Liens permitted by Section 7.3, and, in the case of Pledged Stock, Liens permitted by Section 7.3(a) to the extent such Liens are prior and superior to the Liens granted under the Security Documents by operation of law), including without limitation, the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent.

(b) With respect to any fee interest in any real property having a value (together with improvements thereof) of at least $2,000,000 acquired after the Closing Date by the Borrower or any Subsidiary Guarantor (other than any such real property owned by any Foreign Subsidiary or subject to a Lien expressly permitted by Section 7.3(g)), promptly (i) execute and deliver a Mortgage in favor of the Administrative Agent, for the benefit of the Secured Parties, covering such real property, in each case prior and superior in right to any other Person (except Liens permitted by Section 7.3), (ii) if reasonably requested by the Administrative Agent, provide the Lenders with (x) title and extended coverage insurance covering such real property in an amount at least equal to the purchase price of such real property (or such other amount as shall be reasonably specified by the Administrative Agent) as well as a current ALTA survey thereof, together with a surveyor's certificate and (y) any consents or estoppels reasonably deemed necessary by the Administrative Agent in connection with such Mortgage, each of the foregoing in form and substance reasonably satisfactory to the Administrative Agent and (iii) if reasonably requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(c) With respect to any new Material Wholly Owned Domestic Subsidiary created or acquired after the Closing Date, by the Borrower or any of its Domestic Subsidiaries, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by the Borrower or any of its Domestic Subsidiaries, (ii) deliver to the Administrative Agent the certificates, if any, representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the Borrower or such Subsidiary, as the case may be, (iii) cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement and (B) to take such actions necessary to grant to the Administrative Agent for the benefit of the Secured Parties a perfected security interest in the Collateral described in the Guarantee and

Collateral Agreement with respect to such new Subsidiary in each case prior and superior in right to any other Person (except, in the case of Collateral other than Pledged Stock, Liens permitted by Section 7.3, and, in the case of Pledged Stock, Liens permitted by Section 7.3(a) to the extent such Liens are prior and superior to the Liens granted under the Security Documents by operation of law), including, without limitation, the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent, and (iv) if reasonably requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

6.11 Further Assurances. From time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take such actions, as the Administrative Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement relating to the Collateral and the provisions of the Security Documents, or of more fully perfecting or renewing the rights of the Administrative Agent and the Lenders with respect to the Collateral (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by the Borrower or any Subsidiary which may be deemed to be part of the Collateral), in each case, to the extent required pursuant hereto or thereto. Upon the exercise by the Administrative Agent or any Lender of any power, right, privilege or remedy pursuant to this Agreement or the other Loan Documents which requires any consent, approval, recording, qualification or authorization of any Governmental Authority, the Borrower will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Administrative Agent or such Lender may be required to obtain from the Borrower or any of its Subsidiaries for such governmental consent, approval, recording, qualification or authorization. Notwithstanding anything to the contrary contained in this Agreement (including, without limitation, Section 6.10) or any other Loan Document, neither the Borrower nor any Subsidiary shall be required to take any action or incur any costs with respect to any real property constituting a leasehold property to perfect, or more fully perfect, renew or protect the rights of the Administrative Agent and the Lenders with respect to any such leasehold property.

SECTION 7. NEGATIVE COVENANTS

The Borrower hereby agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or any Agent hereunder (other than indemnity obligations that survive the termination of this Agreement and for which no notice of a claim has been received by the Borrower as of such termination), the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

7.1 Financial Condition Covenant

Permit the Consolidated Net Senior Secured Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower ending with any fiscal quarter during the periods set forth below to exceed the ratio set forth below opposite such fiscal quarter:

Fiscal Quarter	Consolidated Net Senior Secured Leverage Ratio
FQ1 2007 – FQ4 2007	7.50:1.00
FQ1 2008 – FQ4 2008	7.25:1.00
FQ1 2009 – FQ4 2009	7.00:1:00
FQ1 2010 – FQ4 2010	6.75:1.00
FQ1 2011 and thereafter	6.50:1.00

7.2 Limitation on Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document;

(b) Indebtedness (i) of the Borrower to any Subsidiary, (ii) of any Subsidiary Guarantor to the Borrower or any other Subsidiary or (iii) of any Subsidiary that is not a Subsidiary Guarantor to any other Subsidiary that is not a Subsidiary Guarantor;

(c) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.3(g) in an aggregate principal amount not to exceed $25,000,000 at any one time outstanding;

(d) Indebtedness outstanding on the date hereof and listed on Schedule 7.2(d) and any refinancings, refundings, renewals or extensions thereof (without any increase in the principal amount thereof or any shortening of the maturity of any principal amount thereof);

(e) Guarantee Obligations (i) by the Borrower or any of its Subsidiaries of obligations of the Borrower or any Subsidiary; provided that to the extent such Guarantee Obligations are in respect of Indebtedness, such Indebtedness is otherwise permitted hereunder and (ii) arising out of the Employment Agreements;

(f) Indebtedness of the Borrower or any Subsidiary in respect of (i) worker's compensation claims, unemployment insurance and other social security benefits and (ii) surety bonds issued for the account of the Borrower or any Subsidiary in the ordinary course of business;

(g) Indebtedness consisting of deferred payment obligations resulting from the adjudication or settlement of any litigation or from an arbitration or mediation award or settlement, in any case involving the Borrower or any Subsidiary so long as such judgment or settlement would not constitute an Event of Default under Section 8 of this Agreement;

(h) Indebtedness incurred in connection with the financing of insurance premiums in the ordinary course of business;

(i) Indebtedness resulting from the endorsement of negotiable instruments in the ordinary course of business or arising from honoring of a check, draft or similar instrument presented by the Borrower or any Subsidiary in the ordinary course of business against insufficient funds;

(j) Indebtedness representing deferred compensation to employees of the Borrower and its Subsidiaries incurred in the ordinary course of business;

(k) unsecured Indebtedness of the Borrower ("Permitted Subordinated Indebtedness"); provided that (i) such Permitted Subordinated Indebtedness (A) is expressly subordinated to the prior payment in full in cash of the Obligations on terms and conditions reasonably satisfactory to the Administrative Agent, (B) will not mature prior to the date which is at least six months after the Term Loan Maturity Date and (C) has no scheduled amortization or payments of principal prior to the Term Loan Maturity Date and (ii) (A) both immediately prior to and after giving effect thereto, no Default or Event of Default shall exist or result therefrom and (B) after giving effect to the incurrence or issuance of such Indebtedness on the date thereof, the Consolidated Total Leverage Ratio of the Borrower and its Subsidiaries on such date shall not exceed 7.5 to 1.0;

(l) Indebtedness in respect of the Tax Receivables Agreement;

(m) Indebtedness of the Borrower or any of its Subsidiaries assumed in connection with any Permitted Acquisition; provided, however, that such Indebtedness is not incurred in contemplation of such Permitted Acquisition; and

(n) additional Indebtedness of the Borrower or any of its Subsidiaries in an aggregate principal amount (for the Borrower and all Subsidiaries) not to exceed $40,000,000 at any one time outstanding.

7.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, except for:

(a) Liens for taxes, assessments or other governmental charges not yet due or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', landlord's, materialmen's, repairmen's or other like Liens arising in the ordinary course of business in respect of obligations that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits to secure the performance of bids, trade contracts (other than for borrowed money), obligations for utilities, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions, defects and irregularities in title and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the Property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(f) Liens in existence on the date hereof listed on Schedule 7.3(f), securing Indebtedness permitted by Section 7.2(d), and any replacements of such Liens in connection with any refinancings of such Indebtedness permitted by such Section; provided that no such Lien is spread to cover any additional Property after the Closing Date and that the amount of Indebtedness secured thereby is not increased (other than accrual of interest, fees and costs in accordance with the terms thereof);

(g) Liens securing Indebtedness of the Borrower or any other Subsidiary incurred pursuant to Section 7.2(c) to finance the acquisition, construction, repair, replacement or improvement of fixed or capital assets, provided that (i) such Liens shall be created substantially simultaneously with the acquisition, construction, repair, replacement or improvement (as applicable) of such fixed or capital assets, (ii) such Liens do not at any time encumber any Property (other than any improvements, proceeds, additions or accessions with respect thereto) other than the Property financed by such Indebtedness, (iii) the amount of Indebtedness secured thereby is not increased (other than to the extent of accrued interest, fees, premiums, if any, and financing costs in accordance with the terms thereof) and (iv) the amount of Indebtedness initially secured thereby (excluding fees and costs in accordance with the terms thereof) is not more than 100% of the price or cost of such acquisition, construction, repair, replacement or improvement of such fixed or capital asset;

(h) Liens created pursuant to the Security Documents;

(i) any interest or title of a lessor under any lease entered into by the Borrower or any other Subsidiary in the ordinary course of its business and covering only the assets so leased;

(j) licenses or sublicenses with respect to the assets or properties of the Borrower or any Subsidiary, in each case, entered into in the ordinary course of business;

(k) Liens arising from precautionary Uniform Commercial Code financing statement filings regarding operating leases or consignments entered into by the Borrower and its Subsidiaries in the ordinary course of business;

(l) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the ordinary course of collection and (ii) encumbering deposits arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies and which are within the general parameters customary in the banking industry;

(m) Liens with respect to judgments or awards that do not result in or constitute an Event of Default under Section 8;

(n) Liens existing on Property at the time of its acquisition or existing on the Property of any Person at the time such Person becomes a Subsidiary, in each case after the Closing Date and securing Indebtedness permitted under Section 7.2; provided that, (i) such Lien was not created in contemplation of such acquisition or such Person becoming a Subsidiary and (ii) such Lien does not extend to or cover any other assets or Property (other than (A) proceeds or products thereof and (B) after-acquired property subject to a Lien securing Indebtedness incurred prior to such time and which Indebtedness is permitted hereunder the terms of which require, at such time, a pledge of after-acquired property, it being understood that such requirement shall not be permitted to apply to any Property to which such requirement would not have applied but for such acquisition);

(o) Liens securing insurance premium financing arrangements entered into in the ordinary course of business;

(p) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted under Section 7.8 to be applied against the purchase price for such Investment, and (ii) consisting of an agreement to Dispose of any property in a Disposition permitted under Section 7.5, in each case, solely to the extent such Investment or Disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(q) contractual rights of netting, offset and setoff incurred in the ordinary course of business, including such rights represented by Hedge Agreements; and

(r) Liens not otherwise permitted by this Section 7.3 so long as the aggregate outstanding principal amount of the obligations secured thereby does not exceed (as to the Borrower and all Subsidiaries) $10,000,000 at any one time.

7.4 Limitation on Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its Property or business, except that:

(a) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any Subsidiary Guarantor; provided that (i) the Subsidiary Guarantor shall be the continuing or surviving corporation or (ii) simultaneously with such transaction, the continuing or surviving corporation shall become a Subsidiary Guarantor and the Borrower shall comply with Section 6.10 in connection therewith;

(b)(i) any Subsidiary of the Borrower may Dispose of any or all of its Property (upon voluntary liquidation or otherwise) or business to the Borrower or any Subsidiary Guarantor, and (ii) any Subsidiary that is not a Subsidiary Guarantor may Dispose of any or all of its Property (upon voluntary liquidation or otherwise) or business to any other Subsidiary that is not a Subsidiary Guarantor; and

(c) so long as no Default or Event of Default exists or would result therefrom, any Subsidiary may merge with any other Person in order to effect an Investment otherwise permitted pursuant to Section 7.8; provided that (i) if such Subsidiary is a Subsidiary Guarantor, the Subsidiary Guarantor shall be the continuing or surviving corporation, or (ii) the continuing or surviving corporation shall, or will within the times specified therein, have complied with the requirements of 6.10.

7.5 Limitation on Disposition of Property. Dispose of any of its Property (including, without limitation, receivables and leasehold interests), whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(a) the Disposition of obsolete or worn out Property (including the abandonment of Intellectual Property) in the ordinary course of business or other assets or Property not practically usable in the business of the Borrower or the applicable Subsidiary;

(b) the sale or other Disposition of inventory (including advertising, lobby promotions, CineMeetings, sponsorships and digital programming inventory) in the ordinary course of business;

(c)(i) Dispositions permitted by Section 7.4(a) or (b) and (ii) Dispositions by the Borrower of its Property (but not all or substantially all of its Property) to any Subsidiary Guarantor;

(d) the sale or issuance of any Subsidiary's Capital Stock to the Borrower or any Subsidiary Guarantor;

(e) Dispositions (other than leases) of equipment to the extent that (A) such property is exchanged for credit against the purchase price of similar replacement property or (B) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(f) Dispositions of cash and Cash Equivalents not otherwise prohibited under this Agreement;

(g) Dispositions that constitute Investments permitted under Section 7.8;

(h) Dispositions of equipment for use in "Georgia Theater Company" theaters in an amount not to exceed $250,000 per fiscal year;

(i) Dispositions by the Borrower of Holdings Common Stock in connection with the redemption of Borrower Membership Units by any Founding Member in accordance with Article 9 of the Borrower LLC Operating Agreement;

(j) leases, subleases and concessions of interest in real, personal and mixed Property (and dispositions of such leases, subleases and concessions) in the ordinary course of business;

(k) licenses (and dispositions or cancellations of such licenses) of Intellectual Property rights by the Borrower or any of its Subsidiaries, as licensor, in the ordinary course of business;

(l) Dispositions of receivables that are compromised or settled for less than the full amount thereof, discounted or extended, in each case in the ordinary course of business;

(m) Dispositions of equipment to a network affiliate in the ordinary course of business in connection with the sale or distribution of advertising;

(n) the Disposition of other assets having a book value not to exceed $10,000,000 in the aggregate for any fiscal year of the Borrower; and

(o) any Recovery Event, provided, that the requirements of Section 2.12(b) are complied with in connection therewith.

7.6 Limitation on Restricted Payments. Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of the Borrower or any Subsidiary, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Borrower or any Subsidiary (collectively, "Restricted Payments"), except that:

(a) any Subsidiary may make Restricted Payments to the Borrower or any Subsidiary Guarantor;

(b) the Borrower may make Restricted Payments in the form of common membership units of the Borrower or options, warrants or other rights to purchase common membership units of the Borrower;

(c) so long as no Default or Event of Default shall have occurred and be continuing, the Borrower may make Restricted Payments to Holdings to permit Holdings to (i) purchase Holdings' common stock or common stock options from present or former officers, consultants or employees of Holdings, the Borrower or any Subsidiary upon the death, disability or termination of employment of such officer, consultant or employee, provided, that the aggregate amount of payments under this clause (i) subsequent to the date hereof (net of any proceeds received by Holdings and contributed to the Borrower subsequent to the date hereof in connection with resales of any common stock or common stock options so purchased) shall not exceed $10,000,000;

(d) the Borrower may pay the Services Fee and Reimbursable Costs (as defined in the Management Agreement) to Holdings pursuant to the terms of the Management Agreement;

(e) the Borrower may make payments pursuant to the Tax Receivable Agreement in the amount and at the time necessary to satisfy Holdings' contractual obligations with respect to the actual cash tax benefits payable to the Founding Members, in their

capacities as members of the Borrower, and to the entities that are parties to the ESAs in respect of the tax benefits arising from the modifications of such agreements as of the Closing Date; provided that any such payments shall be supported by reasonably detailed calculations delivered to the Administrative Agent no later than 5 Business Days prior to any such payment;

(f) the Borrower may make quarterly distributions constituting Restricted Payments to each of the Founding Members and Holdings for income taxes of such Founding Member or Holdings in an amount equal to (i) the estimated or actual taxable income of the Borrower, as determined for federal income tax purposes, for the period to which the distribution relates multiplied by (ii) the Applicable Tax Rate;

(g) the Redemption shall be permitted;

(h) so long as no Default or Event of Default has occurred and is continuing, the Borrower may make Restricted Payments of up to (i) in the event the Consolidated Net Senior Secured Leverage Ratio (after giving effect to such Restricted Payment) is less than or equal to 7.5 to 1.0 but greater than 7.0 to 1.0, an amount equal to 50% of Available Cash for the fiscal quarter immediately preceding such Restricted Payment, (ii) in the event the Consolidated Net Senior Secured Leverage Ratio (after giving effect to such Restricted Payment) is less than or equal to 7.0 to 1.0 but greater than 6.5 to 1.0, an amount equal to 75% of Available Cash for the fiscal quarter immediately preceding such Restricted Payment and (iii) in the event the Consolidated Net Senior Secured Leverage Ratio (after giving effect to such Restricted Payment) is equal to or less than 6.5 to 1.0, an amount equal to 100% of Available Cash for the fiscal quarter immediately preceding such Restricted Payment; provided that, for purposes of determining the Consolidated Net Senior Secured Leverage Ratio for this clause (h), the aggregate amount of Revolving Credit Loans included in the calculation of Consolidated Senior Secured Debt shall not exceed the Revolving Credit Commitments in effect on the date of such Restricted Payment;

(i) the Borrower may (i) distribute proceeds of the Term Loans to Holdings to pay fees and expenses related to the initial public offering of the common stock of Holdings and all related transactions, (ii) distribute proceeds of the Term Loans to finance certain payments to the ESA Parties as compensation for amendments to the Borrower's payment obligations under the ESAs and (iii) the Borrower may distribute proceeds of the Revolving Credit Loans to the ESA Parties in connection with payment of the Final Circuit Share Payments, in each case as contemplated by Section 4.16; and

(j) the Borrower may redeem its common membership units in connection with the redemption of Borrower Membership Units by a Founding Member in accordance with Article 9 of the Borrower LLC Operating Agreement.

7.7 Limitation on Capital Expenditures. At any time when the Consolidated Net Senior Secured Leverage Ratio is greater than 6.5 to 1.0, make or commit to make any Capital Expenditure, except (a) Capital Expenditures of the Borrower and its Subsidiaries in the ordinary course of business not exceeding $15,000,000 during any fiscal year; provided, that (i) any such

amount referred to above, if not so expended in the fiscal year for which it is permitted, may be carried over for expenditure in the next succeeding fiscal year and (ii) Capital Expenditures made pursuant to this clause (a) during any fiscal year shall be deemed made, first, in respect of amounts permitted for such fiscal year as provided above and second, in respect of amounts carried over from the prior fiscal year pursuant to subclause (i) above, (b) Capital Expenditures made with the proceeds of any Reinvestment Deferred Amount, (c) Capital Expenditures made in connection with the replacement, substitution or restoration of assets but only to the extent such replacement, substitution or restoration is financed from or purchased with insurance proceeds paid on account of the loss of or damage to the assets being replaced or restored in connection with any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding resulting to any asset of the Borrower or any of its Subsidiaries that yields gross proceeds of less than $5,000,000, (d) any Capital Expenditure that constitutes a Permitted Acquisition, and (e) any Capital Expenditure reimbursed in cash from a third party.

7.8 Limitation on Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting an ongoing business from, or make any other investment in, any other Person (all of the foregoing, "Investments"), except:

(a) extensions of trade credit in the ordinary course of business;

(b) Investments in Cash Equivalents;

(c) Investments arising in connection with the incurrence of Indebtedness permitted by Section 7.2(b) and (e);

(d) loans and advances to employees of the Borrower or any Subsidiaries of the Borrower in the ordinary course of business (including, without limitation, for travel, entertainment and relocation expenses) in an aggregate amount for the Borrower and Subsidiaries of the Borrower not to exceed $2,000,000 at any one time outstanding;

(e) Investments in assets useful in the Borrower's business made by the Borrower or any of its Subsidiaries with the proceeds of any Reinvestment Deferred Amount;

(f) Investments (other than those relating to the incurrence of Indebtedness permitted by Section 7.8(c)) by the Borrower or any of its Subsidiaries in the Borrower or any Person that, prior to such Investment, is a Subsidiary Guarantor, or by any Subsidiary that is not a Subsidiary Guarantor to any other Subsidiary that is not a Subsidiary Guarantor;

(g) Investments consisting of prepaid expenses made in the ordinary course of business;

(h) Investments consisting solely of appreciation in value of Investments permitted under this Section 7.8;

(i) Acquisitions permitted by Section 7.4(a) and (b) and Investments resulting from any transaction permitted by Section 7.5(d);

(j) Investments as a result of the receipt of non-cash consideration in the settlement of any litigation or claims;

(k) Acquisitions by the Borrower of Holdings Common Stock in connection with the redemption of Borrower Membership Units by a Founding Member in accordance with Article 9 of the Borrower LLC Operating Agreement;

(l) Acquisitions by the Borrower or any of its Subsidiaries (each a "Permitted Acquisition"); provided that (i) immediately prior to and after giving effect to such Permitted Acquisition, no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) each applicable Loan Party and any newly created or acquired Subsidiary shall, or will within the times specified therein, have complied with the requirements of Section 6.10, (iii) such Acquisition is of a Person or ongoing business in a line of business in which the Borrower and its Subsidiaries is permitted to engage pursuant to Section 7.15, (iv) if such Permitted Acquisition is a Material Permitted Acquisition, after giving effect thereto on a pro forma basis, the Consolidated Net Senior Secured Leverage Ratio shall be less than or equal to 6.50 to 1.00; provided that, for purposes of determining the Consolidated Net Senior Secured Leverage Ratio for this clause (l(iv)), the aggregate amount of Revolving Credit Loans included in the calculation of Consolidated Senior Secured Debt shall not exceed the Revolving Credit Commitments in effect on the date of such Permitted Acquisition, and (v) the Borrower shall have delivered to the Administrative Agent a certificate of a Responsible Officer, in form and substance reasonably satisfactory to the Administrative Agent, certifying that all of the requirements set forth in this Section 7.8(l) have been satisfied or will be satisfied on or prior to the consummation of such Permitted Acquisition and disclosing any Indebtedness assumed in connection with such Permitted Acquisition as permitted by Section 7.2(m);

(m) Investments consisting of endorsements for collection or deposit in the ordinary course of business;

(n) Investments consisting of indemnification obligations to the respective officers, directors and managers of the Borrower and any of its Subsidiaries to the extent required under the organizational documents of the Borrower or such Subsidiary, as applicable;

(o) Investments resulting from the creation of new Subsidiaries of the Borrower as otherwise permitted hereunder; provided that the Borrower shall comply with Section 6.10 in connection therewith;

(p) Investments consisting of payments required to be made pursuant to any Hedge Agreement;

(q) Investments consisting of loans and advances to Holdings made in lieu of (but not in addition to) the Restricted Payments permitted to be made pursuant to Sections 7.6(c) through (f) and 7.6(i);

(r) Investments consisting of advances to Georgia Theater Company-II in connection with dispositions permitted under Section 7.5(h);

(s) Investments arising from the Borrower or any of its Subsidiaries offering such concessionary trade terms, or from receiving such Investments, in connection with the bankruptcy or reorganization of their respective suppliers or customers or the settlement of disputes with such customers or suppliers arising in the ordinary course of business, as management deems reasonable;

(t) in addition to Investments otherwise expressly permitted by this Section, Investments by the Borrower or any of its Subsidiaries in an aggregate amount (valued at cost) not to exceed $25,000,000 during the term of this Agreement.

7.9 Limitation on Amendments to Other Documents. Amend, supplement or otherwise modify (pursuant to a waiver or otherwise) the terms and conditions of the ESAs, the Management Agreement or the Tax Receivable Agreement in any manner except to the extent that any such amendment, supplement or modification would not reasonably be expected to be materially adverse to the Lenders.

7.10 Limitation on Transactions with Affiliates. Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than the Borrower or any Subsidiary) unless such transaction is (a) not otherwise prohibited under this Agreement, and (b) upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate. Notwithstanding the foregoing, (x) the transactions contemplated by the ESAs, the Tax Receivable Agreement, the Management Agreement and the other agreements identified on Schedule 7.10 shall be permitted and (z) this Section 7.10 shall not prohibit or prevent the making of Restricted Payments under Section 7.6, the making of Investments permitted by Section 7.8(d) or payment by the Borrower of the Final Circuit Share Payments.

7.11 Limitation on Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by the Borrower or any Subsidiary of real or personal property which has been or is to be sold or transferred by the Borrower or such Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Borrower or such Subsidiary.

7.12 Limitation on Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than the first Thursday after December 25th in any calendar year or change the Borrower's method of determining fiscal quarters; provided that the Borrower may change its fiscal year to the calendar year beginning January 1 and ending December 31 and may change the method of determining fiscal quarters accordingly so long as the Borrower gives the Administrative Agent prior written notice thereof.

7.13 Limitation on Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of the Borrower or any of its Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its Property or revenues, whether now owned or hereafter acquired, to secure the Obligations or, in the case of any guarantor, its obligations under the Guarantee and Collateral Agreement, other than (a) this Agreement and the other Loan Documents, (b) any agreements governing any purchase money Liens or Capital Lease Obligations or other secured Indebtedness otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (c) customary non-assignment provisions or other restrictions on Liens arising under leases, subleases, licenses, sublicenses, joint venture agreements or other agreements entered into in the ordinary course of business and (d) the Specified Hedge Agreements and other Hedge Agreements contemplated by Section 7.3(r).

7.14 Limitation on Restrictions on Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any other Subsidiary, (b) make Investments in the Borrower or any other Subsidiary or (c) transfer any of its assets to the Borrower or any other Subsidiary, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Subsidiary, (iii) customary non-assignment provisions or other restrictions on Liens arising under leases, subleases, licenses, sublicenses, joint venture agreements or other agreements entered into in the ordinary course of business, (iv) any restriction on a Subsidiary existing prior to the time such Subsidiary first becomes a Subsidiary of the Borrower so long as such restrictions were not entered into in contemplation of such Person becoming a Subsidiary of the Borrower, (v) any restrictions contained in agreements governing any purchase money Liens, Capital Lease Obligations or other secured Indebtedness otherwise permitted hereby (so long as such restrictions are only effective against the assets financed thereby), (vi) restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business.

7.15 Limitation on Lines of Business. Enter into any business, either directly or through any Subsidiary, except for those businesses in which the Borrower and its Subsidiaries are engaged on the date of this Agreement or that are reasonably related thereto.

SECTION 8. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) the Borrower shall fail to pay any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof; or the Borrower shall fail to

pay any interest on any Loan or Reimbursement Obligation, or any other amount payable hereunder or under any other Loan Document, within five days after any such interest or other amount becomes due in accordance with the terms hereof or thereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or written financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made or furnished; or

(c)(i) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) or (ii) of Section 6.4(a) (with respect to the Borrower only), Section 6.7(a) or Section 7 (provided, however, that in the case of a non-consensual Lien not permitted under Section 7.3 (other than Liens on Collateral consisting of contracts, agreements or Capital Stock), such failure remains unremedied for five (5) Business Days after a Responsible Officer knows or has reason to know of such non-consensual Lien), or in Section 5.1 (but only to the extent relating to Sections of the Credit Agreement specified in this Section 8(c)), 5.3(a), 5.3(b), 5.5(a), 5.6, 5.8(b) or 5.10(d) of the Guarantee and Collateral Agreement or (ii) an "Event of Default" under and as defined in any Mortgage shall have occurred and be continuing; or

(d) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after the earlier of (i) notice to the Borrower from the Administrative Agent or the Required Lenders and (ii) the date on which a Responsible Officer knows of such default; or

(e) The Borrower or any of its Subsidiaries shall (i) default in making any payment of any principal of, or interest on, any Indebtedness (including, without limitation, any Guarantee Obligation, but excluding the Loans and Reimbursement Obligations and guaranties thereof) beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or to become subject to a mandatory offer to purchase by the obligor thereunder or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, that a default, event or condition described in clause (i) or (ii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i) or (ii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $25,000,000; or

(f)(i) The Borrower or any of its Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower or any of its Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower or any of its Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Borrower or any of its Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Borrower or any of its Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Borrower or any of its Subsidiaries shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g)(i) any Person shall engage in any “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any “accumulated funding deficiency” (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan, or any Lien in favor of the PBGC or a Plan shall arise on the assets of the Borrower or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Borrower or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders shall be likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, would, in the sole judgment of the Required Lenders, reasonably be expected to have a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against the Borrower or any of its Subsidiaries involving for the Borrower and its Subsidiaries taken as a whole a liability (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of $25,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) any of the Security Documents shall cease, for any reason (other than by reason of the express release thereof pursuant to Section 10.15), to be in full force and effect, or any Loan Party or Holdings shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby; or

(j) the guarantee contained in Section 2 of the Guarantee and Collateral Agreement shall cease, for any reason (other than by reason of the express release thereof pursuant to Section 10.15), to be in full force and effect or any Loan Party or Holdings shall so assert; or

(k) any Change of Control shall occur;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including, without limitation, all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Majority Revolving Credit Facility Lenders, the Administrative Agent may, or upon the request of the Majority Revolving Credit Facility Lenders, the Administrative Agent shall, by notice to the Borrower declare the Revolving Credit Commitments to be terminated forthwith, whereupon the Revolving Credit Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including, without limitation, all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. In the case of all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired face amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto).

SECTION 9. THE AGENTS

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Agents as the agents of such Lender under this Agreement and the other Loan Documents, and each Lender irrevocably authorizes each Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to such Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, no Agent shall have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against any Agent.

9.2 Delegation of Duties. Each Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. No Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. Neither any Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4 Reliance by Agents. Each Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Loan Parties), independent accountants and other experts selected by such Agent. The Agents may deem and treat the payee of any Note as the owner thereof for all purposes unless such Note shall have been transferred in accordance with Section 10.6 and all actions required by such Section in connection with such transfer shall have been taken. Each Agent shall be fully justified in failing or refusing to take any action under this Agreement or any

other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders or any other instructing group of Lenders specified by this Agreement) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Each Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders or any other instructing group of Lenders specified by this Agreement), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. No Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless such Agent shall have received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent shall receive such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders or any other instructing group of Lenders specified by this Agreement); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither any of the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, no Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of such Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.7 Indemnification. The Lenders agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), for, and to save each Agent harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (including, without limitation, at any time following the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

9.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 10 days' notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(a) or Section 8(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is 10 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. The Syndication Agent may, at any time, by notice to the Lenders and the Administrative Agent, resign as Syndication Agent hereunder, whereupon the duties, rights,

obligations and responsibilities of the Syndication Agent hereunder shall automatically be assumed by, and inure to the benefit of, the Administrative Agent, without any further act by the Syndication Agent, the Administrative Agent or any Lender. After any retiring Agent's resignation as Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement and the other Loan Documents.

9.10 Authorization to Release Liens and Guarantees. The Administrative Agent is hereby irrevocably authorized by each of the Lenders to effect any release of Liens or guarantee obligations contemplated by Section 10.15.

9.11 The Arranger; the Syndication Agent; the Co-Documentation Agents. Neither the Arranger, the Syndication Agent nor the Co-Documentation Agents, in their respective capacities as such, shall have any duties or responsibilities, nor shall any such Person incur any liability, under this Agreement and the other Loan Documents.

SECTION 10. MISCELLANEOUS

10.1 Amendments and Waivers. Neither this Agreement or any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party to the relevant Loan Document may, or (with the written consent of the Required Lenders) the Administrative Agent and each Loan Party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents (including amendments and restatements hereof or thereof) for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as may be specified in the instrument of waiver, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall:

(i) forgive the principal amount or extend the final scheduled date of maturity of any Loan or Reimbursement Obligation, extend the scheduled date of any amortization payment in respect of any Term Loan, reduce the stated rate of any interest or fee payable under this Agreement (except (x) in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Majority Facility Lenders of each adversely affected Facility) and (y) that any amendment or modification of defined terms used in the financial covenant in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Commitment of any Lender, in each case without the consent of each Lender directly affected thereby;

(ii) amend, modify or waive any provision of this Section or reduce any percentage specified in the definition of Required Lenders, consent to the

assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral or release all or substantially all of the Subsidiary Guarantors from their guarantee obligations under the Guarantee and Collateral Agreement, in each case without the consent of all the Lenders;

(iii) amend, modify or waive any condition precedent to any extension of credit under the Revolving Credit Facility set forth in Section 5.2 (including, without limitation, the waiver of an existing Default or Event of Default required to be waived in order for such extension of credit to be made) without the consent of the Majority Revolving Credit Facility Lenders;

(iv) reduce the percentage specified in the definition of Majority Facility Lenders with respect to any Facility without the consent of all of the Lenders under such Facility;

(v) amend, modify or waive any provision of Section 9, or any other provision affecting the rights, duties or obligations of any Agent, without the consent of any Agent directly affected thereby;

(vi) amend, modify or waive any provision of Section 2.6 or 2.7 without the consent of the Swing Line Lender;

(vii) amend, modify or waive any provision of Section 2.18 without the consent of each Lender directly affected thereby;

(viii) amend, modify or waive any provision of Section 3 without the consent of each Issuing Lender affected thereby;

(ix) impose restrictions on assignments and participations that are more restrictive than, or additional to, those set forth in Section 10.6 without the consent of each Lender directly affected thereby;

(x) subject to the terms of Section 2.12(d), amend the application of payments to the Term Loans pursuant to Section 2.12 without the consent of the Majority Term Loan Facility Lenders.

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Agents and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Agents shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Any such waiver, amendment, supplement or modification shall be effected by a written instrument signed by the parties required to sign pursuant to the foregoing provisions of this Section; provided, that delivery of an executed signature page of any such instrument by facsimile transmission shall be effective as delivery of a manually executed counterpart thereof.

For the avoidance of doubt, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and each Loan Party to each relevant Loan Document (x) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof (collectively, the "Additional Extensions of Credit") to share ratably in the benefits of this Agreement and the other Loan Documents with the Term Loans and Revolving Extensions of Credit and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Majority Revolving Facility Lenders; provided, however, that no such amendment shall permit the Additional Extensions of Credit to share ratably with or with preference to the Loans in the application of mandatory prepayments without the consent of the Majority Term Loan Facility Lenders.

In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Term Loans (as defined below) to permit the refinancing or modification of all outstanding Term Loans ("Refinanced Term Loans") with a replacement "B" term loan tranche hereunder ("Replacement Term Loans"), provided that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans plus the amount of any fees and expenses incurred by the Borrower in connection with such refinancing, (b) the Applicable Margin for such Replacement Term Loans shall not be higher than the Applicable Margin for such Refinanced Term Loans, (c) the weighted average life to maturity of such Replacement Term Loans shall not be shorter than the weighted average life to maturity of such Refinanced Term Loans at the time of such refinancing and (d) all other terms applicable to such Replacement Term Loans shall be substantially identical to, or less favorable to the Lenders providing such Replacement Term Loans than, those applicable to such Refinanced Term Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the latest final maturity of the Term Loans in effect immediately prior to such refinancing.

In addition, notwithstanding the foregoing, this Agreement, including this Section 10.1, and the other Loan Documents may be amended (or amended and restated) pursuant to Section 2.25 in order to add Incremental Term Loans or Revolving Credit Commitment Increases to this Agreement and (a) to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement (including the rights of the lenders holding Incremental Term Loans to share ratably with the Term Facility in prepayments pursuant to Section 2.12) and the other Loan Documents with the Term Loans and Revolving Credit Loans and the accrued interest and fees in respect thereof, (b) to include appropriately the Lenders holding such credit facilities in any determination of the required consent of the Lenders pursuant to this Section 10.1, and (c) to amend any other provision of the Loan Documents so that the Incremental Facilities are appropriately incorporated (including this Section 10.1).

In addition, notwithstanding the foregoing, if the Required Lenders shall have approved any amendment, the Borrower shall be permitted to replace any non-consenting Lender with another lender, provided that, (i) the replacement lender shall purchase at par, all Loans and

other amounts owing to such replaced Lender on or prior to the date of replacement, (ii) the Borrower shall be liable to such replaced Lender under Section 2.21 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto (as if such purchase constituted a prepayment of such Loans), (iii) such replacement lender, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent and, with respect to the replacement of a Revolving Credit Lender, each Issuing Lender (such consent not to be unreasonably withheld), (iv) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (v) such replacement Lender shall consent to the proposed amendment and (vi) any such replacement shall not be deemed to be a waiver of any rights the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender or of the replaced Lender against the Borrower.

10.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed (a) in the case of the Borrower and the Agents, as follows and (b) in the case of the Lenders, as set forth in an administrative questionnaire delivered to the Administrative Agent or on Schedule I to the Lender Addendum to which such Lender is a party or, in the case of a Lender which becomes a party to this Agreement pursuant to an Assignment and Acceptance, in such Assignment and Acceptance or (c) in the case of any party, to such other address as such party may hereafter notify to the other parties hereto:

The Borrower:	National CineMedia, LLC [Address]
The Syndication Agent:	JPMorgan Chase Bank, N.A. 270 Park Avenue New York, New York 10017 Attention: _____ Telecopy: _____ Telephone: _____
The Administrative Agent:	Lehman Commercial Paper Inc. 745 Seventh Avenue New York, New York 10019 Attention: Craig Malloy Telecopy: 646-758-4617 Telephone: 212-526-7150
With a copy to:	
Any Issuing Lender:	As notified by such Issuing Lender to the Administrative Agent and the Borrower

provided that any notice, request or demand to or upon the any Agent, any Issuing Lender or any Lender shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made herein, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

10.5 Payment of Expenses. The Borrower agrees (a) to pay or reimburse the Agents for all their reasonable out-of-pocket costs and expenses incurred in connection with the syndication of the Facilities (other than fees payable to syndicate members) and the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements and other charges of counsel to the Administrative Agent and the charges of Intralinks, (b) to pay or reimburse each Lender and the Agents for all their costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any other documents prepared in connection herewith or therewith, including, without limitation, the fees and disbursements of counsel (including the allocated fees and disbursements and other charges of in-house counsel) to each Lender and of counsel to the Agents, (c) to pay, indemnify, or reimburse each Lender and the Agents for, and hold each Lender and the Agents harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify or reimburse each Lender, each Agent, their respective affiliates, and their respective officers, directors, trustees, employees, advisors, agents and controlling persons (each, an "Indemnitee") for, and hold each Indemnitee harmless from and against any and all

other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever incurred by an Indemnitee or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds thereof (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Materials of Environmental Concern on or from any property owned, occupied or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries or any or their respective properties, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, and regardless of whether any Indemnitee is a party thereto (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided, that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. The Borrower acknowledges that information and documents relating to the Facilities may be transmitted through SyndTrak, Intralinks, the internet, e-mail, or similar electronic transmission systems, and, notwithstanding anything herein to the contrary, that no Indemnitee shall be liable for any damages arising from the unauthorized use by others of information or documents occurring as a result of such information or documents being transmitted in such manner unless resulting from such Indemnitee's gross negligence or willful misconduct, and neither the Borrower nor any Indemnitee shall be liable for any special, indirect, consequential or punitive damages in connection with the Facilities. The Borrower shall have the right to undertake, conduct and control through counsel of its own choosing (which counsel shall be acceptable to the applicable Indemnitee acting reasonably), the conduct and settlement of claims with respect to the related Indemnified Liabilities, and such Indemnitee shall cooperate with the Borrower in connection therewith; provided that the Borrower shall permit such Indemnitee to participate in such conduct and settlement through counsel chosen by such Indemnitee. Notwithstanding the foregoing, each Indemnitee shall have the right to employ its own counsel and the reasonable fees and expenses of such counsel shall be at the Borrower's cost and expense if such Indemnitee reasonably determines that (i) the Borrower's counsel is not defending any claim or proceeding in a manner reasonably acceptable to such Indemnitee or (ii) the interest of the Borrower and such Indemnitee have become adverse in any such claim or cause of action, provided, however, that in such event, the Borrower shall only be liable for the reasonable legal expenses of one counsel for all such Indemnitees. If clause (ii) of the immediately preceding sentence is applicable, at the option of the applicable Indemnitee, its attorneys shall control the resolution of any such claim with respect to the related Indemnified Liabilities. The Borrower shall not, without the prior written consent of each Indemnitee affected thereby, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification may be sought hereunder (whether or not such Indemnitee is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (a) includes an unconditional release of

such Indemnitee from all liability arising out of such action or claim, (b) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of such Indemnitee and (c) does not require such Indemnitee to pay any form of consideration to any party or parties (including, without limitation, the payment of money) in connection therewith. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries so to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee until all Obligations (other than obligations in respect of any Specified Hedge Agreement and other than indemnity obligations that survive the termination of this Agreement and for which no notice of a claim has been received by the Borrower as of such termination) have been paid in full, all Commitments have terminated or expired and no Letter of Credit shall be outstanding. All amounts due under this Section shall be payable not later than 30 days after written demand therefor. Statements payable by the Borrower pursuant to this Section shall be submitted to _____ (Telephone No. _____) (Fax No. _____), at the address of the Borrower set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a notice to the Administrative Agent. The agreements in this Section shall survive repayment of the Loans and all other amounts payable hereunder.

10.6 Successors and Assigns; Participations and Assignments. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Agents, all future holders of the Loans and their respective successors and assigns, except that (i) the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent and each Lender and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Agreement.

(b) Any Lender may, without the consent of the Borrower, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities, in each case other than to any entity that such Lender has knowledge is a competitor (or an affiliate of a known competitor) of the Borrower or any Founding Member (each, a "Participant") participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Agents shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except that a Lender may agree with a Participant that it will not consent to any amendment, waiver or consent that would require the consent of all Lenders pursuant to Section 10.1 without the consent of such Participant. The Borrower agrees that each Participant shall, to the maximum extent permitted by applicable law, be deemed to

have the right of setoff provided under Section 10.7(b) in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 10.7(a) as fully as if such Participant were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled to the benefits of, and subject to the requirements of, Sections 2.19, 2.20, 2.21 and 2.23 with respect to its participation in the Commitments and the Loans outstanding from time to time as if such Participant were a Lender; provided that, in the case of Section 2.20, such Participant shall have complied with the requirements of said Section, and provided, further, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender (an "Assignor") may, in accordance with applicable law and upon written notice to the Administrative Agent, at any time and from time to time assign to any Lender or any affiliate, Related Fund or Control Investment Affiliate thereof, in each case other than to an entity that such Lender has knowledge is a competitor (or an affiliate of a known competitor) of the Borrower or any Founding Member or, with the consent of the Borrower and the Administrative Agent and, in the case of any assignment of Revolving Credit Commitments, the written consent of the Issuing Lender and the Swing Line Lender (which, in each case, shall not be unreasonably withheld or delayed (it being understood that the Borrower shall have the right to waive its consent rights hereunder by notice to the Administrative Agent and such consent or waiver by the Borrower (if not withheld) shall be provided within three Business Days) (provided that no such consent need be obtained by any Lehman Entity for a period of 60 days following the Closing Date), to an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement pursuant to an Assignment and Acceptance, substantially in the form of Exhibit E, executed by such Assignee and such Assignor (and, where the consent of the Borrower, the Administrative Agent or the Issuing Lender or the Swing Line Lender is required pursuant to the foregoing provisions, by the Borrower and such other Persons) and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that no such assignment to an Assignee (other than any Lender or any affiliate thereof) shall be in an aggregate principal amount of less than $1,000,000 in the case of the assignment of any Term Loans or $5,000,000 in the case of the assignment of any Revolving Credit Commitments (other than in the case of an assignment of all of a Lender's interests under this Agreement), unless otherwise agreed by the Borrower and the Administrative Agent. Any such assignment need not be ratable as among the Facilities. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with Commitments and/or Loans as set forth therein, and (y) the Assignor thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto, except as to Section 2.19, 2.20, 2.23 and 10.5 in respect of the period prior to such effective date). Notwithstanding any provision of this Section, the consent of the Borrower shall not be required for any assignment that occurs at any time when any Event of Default shall have occurred and be continuing. For purposes of the minimum assignment amounts set forth in this paragraph, multiple assignments by two or more Related Funds shall be aggregated.

(d) The Administrative Agent shall, on behalf of the Borrower, maintain at its address referred to in Section 10.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, each Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any Notes evidencing such Loans recorded therein for all purposes of this Agreement. Any assignment of any Loan, whether or not evidenced by a Note, shall be effective only upon appropriate entries with respect thereto being made in the Register (and each Note shall expressly so provide). Any assignment or transfer of all or part of a Loan evidenced by a Note shall be registered on the Register only upon surrender for registration of assignment or transfer of the Note evidencing such Loan, accompanied by a duly executed Assignment and Acceptance; thereupon, if requested by the designated Assignee, one or more new Notes in the same aggregate principal amount shall be issued to such designated Assignee, and the old Notes shall be returned by the Administrative Agent to the Borrower marked "canceled". The Register shall be available for inspection by the Borrower or any Lender (with respect to any entry relating to such Lender's Loans) at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by an Assignor and an Assignee (and, in any case where the consent of any other Person is required by Section 10.6(b), by each such other Person) together with payment to the Administrative Agent of a registration and processing fee of $3,500 (treating multiple, simultaneous assignments by or to two or more Related Funds as a single assignment) (except that no such registration and processing fee shall be payable (y) in connection with an assignment by or to a Lehman Entity or (z) in the case of an Assignee which is already a Lender or is an affiliate or Related Fund of a Lender or a Person under common management with a Lender), the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) on the effective date determined pursuant thereto record the information contained therein in the Register and give notice of such acceptance and recordation to the Borrower. On or prior to such effective date, the Borrower, at its own expense, upon request and upon receipt by the Borrower of the old Notes (if any) for cancellation, shall execute and deliver to the Administrative Agent (in exchange for the Revolving Credit Note and/or applicable Term Notes, as the case may be, of the assigning Lender) a new Revolving Credit Note and/or applicable Term Notes, as the case may be, to the order of such Assignee in an amount equal to the Revolving Credit Commitment and/or applicable Term Loans, as the case may be, assumed or acquired by it pursuant to such Assignment and Acceptance and, if the Assignor has retained a Revolving Credit Commitment and/or Term Loans, as the case may be, upon request, a new Revolving Credit Note and/or Term Notes, as the case may be, to the order of the Assignor in an amount equal to the Revolving Credit Commitment and/or applicable Term Loans, as the case may be, retained by it hereunder. Such new Note or Notes shall be dated the Closing Date and shall otherwise be in the form of the Note or Notes replaced thereby.

(f) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section concerning assignments of Loans and Notes relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests in Loans and Notes, including, without limitation, any pledge or assignment by a Lender of any Loan or Note to any Federal Reserve Bank in accordance with applicable law; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto.

(g) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (an "SPC"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to make any Loan and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any state thereof. In addition, notwithstanding anything to the contrary in this Section 10.6(f), any SPC may (A) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender, or with the prior written consent of the Borrower and the Administrative Agent (which consent shall not be unreasonably withheld) to any financial institutions providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans, and (B) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC; provided that non-public information with respect to the Borrower may be disclosed only with the Borrower's consent which will not be unreasonably withheld. In addition to the consent requirements set forth in Section 10.1, this paragraph (g) may not be amended without the written consent of any SPC with Loans outstanding at the time of such proposed amendment.

10.7 Adjustments; Set-off. (a) Except to the extent that this Agreement provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a "Benefitted Lender") shall at any time receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Obligations, such

Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Obligations, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon the occurrence and during the continuance of any Event of Default, to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement or of a Lender Addendum by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of the Borrower, the Agents, the Arranger and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Arranger, any Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11 **GOVERNING LAW**. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.12 Submission To Jurisdiction; Waivers. The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) together with each Lender, each Agent and each Arranger waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

10.13 Acknowledgments. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Arranger, any Agent nor any Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Arranger, the Agents and the Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Arranger, the Agents and the Lenders or among the Borrower and the Lenders.

10.14 Confidentiality. Each of the Arrangers, the Agents and the Lenders agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is explicitly designated and marked by such Loan Party as confidential; provided that nothing herein shall prevent any Arranger, Agent or Lender from disclosing any such information (a) to any Arranger, any Agent, any other Lender or any affiliate of any thereof in connection with the transactions contemplated hereby or on a "need to know" basis (it being understood that any such Person to whom such disclosure is made will be informed of the

confidential nature of such information and the requirement to maintain it as confidential and that such Arranger, Agent or Lender, as the case may be, shall be responsible for the compliance or breach by such Person with this Section), (b) to any Participant or Assignee (each, a "Transferee") or prospective Transferee (in each case other than any entity that such Lender has knowledge is a competitor (or an affiliate of a known competitor) of the Borrower or any Founding Member) that agrees to comply with the provisions of this Section or substantially equivalent provisions pursuant to an agreement as to which the Loan Parties are express and intended third party beneficiaries, (c) to any of its employees, directors, agents, attorneys, accountants and other professional advisors in connection with the transactions contemplated hereby or on a "need to know" basis (it being understood that any such Person to whom such disclosure is made will be informed of the confidential nature of such information and the requirement to maintain it as confidential and that such Arranger, Agent or Lender, as the case may be, shall be responsible for the compliance or breach by such Person with this Section), (d) to any financial institution that is a direct or indirect contractual counterparty in swap agreements or such contractual counterparty's professional advisor (so long as such contractual counterparty or professional advisor to such contractual counterparty agrees to be bound by the provisions of this Section), (e) upon the request or demand of any Governmental Authority having jurisdiction over it, (f) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (g) in connection with any litigation or similar proceeding relating to the rights and duties of the parties hereto and to any other Loan Document under this Agreement or the other Loan Documents, (h) that has been publicly disclosed other than in breach of this Section, (i) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender or (j) in connection with the exercise of any remedy hereunder or under any other Loan Document; provided, however, that unless prohibited by applicable law, with respect to clauses (e), (f) and (g), each of the Agents, the Arrangers and the Lenders agrees to use its reasonable efforts to give the Borrower prompt notice of any such request for such confidential information.

10.15 Release of Collateral and Guarantee Obligations.

(a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon request of the Borrower in connection with any Disposition of Property permitted by the Loan Documents, the Administrative Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Specified Hedge Agreement) take such actions as shall be required to release its security interest in any Collateral being Disposed of in such Disposition, and to release any guarantee obligations under any Loan Document of any Person being Disposed of in such Disposition, to the extent necessary to permit consummation of such Disposition in accordance with the Loan Documents.

(b) Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Obligations (other than obligations in respect of any Specified Hedge Agreement and other than the indemnity obligations that survive the termination of this Agreement and for which no notice of a claim has been received by the Borrower as of such termination) have been paid in full, all Commitments have terminated or

expired and no Letter of Credit shall be outstanding, then (i) the Collateral shall be released from the Liens created by the Security Documents and the Security Documents and all rights and obligations (other than those expressly stated to survive such termination) of the Administrative Agent, any Lender or any other secured party and each Loan Party under the Security Documents shall terminate, all without delivery of any instrument or performance of any act by any Person and (ii) upon request of the Borrower, the Administrative Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Specified Hedge Agreement) take such actions as shall be required to release its security interest in all Collateral, and to release all guarantee obligations under any Loan Document, whether or not on the date of such release there may be outstanding Obligations in respect of Specified Hedge Agreements. Any such release of guarantee obligations shall be deemed subject to the provision that such guarantee obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

10.16 Accounting Changes. In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Change with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Change as if such Accounting Change had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Change had not occurred. "Accounting Change" refers to any change in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

10.17 Delivery of Lender Addenda. Each initial Lender shall become a party to this Agreement by delivering to the Administrative Agent a Lender Addendum duly executed by such Lender, the Borrower and the Administrative Agent.

10.18 **WAIVERS OF JURY TRIAL**. **THE BORROWER, THE AGENTS AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

NATIONAL CINEMEDIA, LLC

By: _____
Name:
Title:

LEHMAN BROTHERS INC.,
as Arranger

By: _____
Name:
Title:

J.P. MORGAN SECURITIES INC.,
as Arranger

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Syndication Agent

By: _____
Name:
Title:

LEHMAN COMMERCIAL PAPER INC.,
as Administrative Agent

By: _____
Name:
Title:

CREDIT SUISSE (USA) LLC,
as Co-Documentation Agent

By: _____
Name:
Title:

MORGAN STANLEY SENIOR
FUNDING, INC., as Co-Documentation Agent

By: _____
Name:
Title:

Exhibit 10.9

SECOND AMENDED AND RESTATED SOFTWARE LICENSE AGREEMENT

This Second Amended and Restated Software License Agreement (this "**Agreement**") is made and entered into as of February _____, 2007 ("**Effective Date**") by and among American Multi-Cinema, Inc., a Missouri corporation ("**AMC**"), Regal CineMedia Corporation, a Virginia corporation ("**Regal**"), Cinemark USA, Inc., a Texas corporation ("**Cinemark**"), Digital Cinema Implementation Partners, LLC ("**DCIP**") and National CineMedia, LLC (the "**Company**"), and amends and restates in its entirety the Amended and Restated Software License Agreement by and among AMC, Regal, Cinemark, and the Company dated as of July 15, 2005 (the "**First Amended and Restated Agreement**"), which in turn amended and restated in its entirety the Software License Agreement by and among AMC, Regal, and the Company dated as of March 29, 2005 (the "**Original Agreement**"). AMC, Regal and Cinemark are at times collectively referred to herein as the "**Exhibitors**," and together with DCIP and the Company, are at times together referred to herein as the "**Parties**," or individually (and without distinction) as a "**Party**."

RECITALS

WHEREAS, Regal and AMC (as successor-in-interest to National Cinema Network, Inc.), entered into that certain Contribution and Unit Holders Agreement dated as of March 29, 2005 (the "**Contribution and Unit Holders Agreement**"), pursuant to which they or their Affiliates formed the Company and contributed to the Company certain assets;

WHEREAS, in connection with the contribution of such assets to the Company, and pursuant to the Original Agreement and the First Amended and Restated Agreement, Regal and AMC licensed to the Company certain computer software and related rights ancillary to the use of such computer software;

WHEREAS, Cinemark Media, Inc., a Delaware corporation ("**Cinemark Media**"), and the Company have entered into that certain Contribution Agreement, dated July 15, 2005 (the "**Contribution Agreement**"), pursuant to which Cinemark Media has agreed to contribute cash to the Company and the Company has agreed to issue certain Units to Cinemark Media;

WHEREAS, AMC, Regal CineMedia Holdings, LLC, an Affiliate of Regal, and Cinemark Media have formed DCIP as a joint venture in order to develop and implement the delivery of Digital Cinema Services;

WHEREAS, prior to the formation of DCIP, NCM had begun to develop, pursuant to the Original Agreement, certain computer software for the purposes of delivery of Digital Cinema Services on behalf of AMC, Regal, Cinemark, and/or their respective Affiliates; and

WHEREAS, Regal, AMC, Cinemark and the Company desire to amend the First Amended and Restated Agreement to accommodate and address certain amendments made to the Operating Agreement and Exhibitor Services Agreements.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

1. Definitions. Capitalized terms not otherwise defined herein will have the meaning given those terms in the Contribution and Unit Holders Agreement. In addition, the following terms, as used in this Agreement, will have the following meanings:

1.1 "AMC Original Technology" means the AMC original technology identified in Exhibit 1.1 hereto, including all Object Code thereto and, with the exception of the DTDS Software, all Source Code thereto, and further including all patent rights, copyrights and trade secrets of AMC or any AMC Affiliate applicable to the foregoing.

1.2 "Company Technology" means all Original Technology and Developments licensed to the Company by the Exhibitors pursuant to the terms hereof and any Developments of the Company.

1.3 "Developments" means any derivative works, improvements and other modifications to the Original Technology, including all Object Code thereto and, with the exception of the DTDS Software, all Source Code thereto, and further including all patent rights, copyrights and trade secrets applicable to the foregoing. The term "Developments" shall also include (i) derivative works, improvements and other modifications to Developments to the Original Technology, (ii) any other Technology, including computer software, owned or acquired by the Company on or before the Effective Date, and (iii) any Original Technology, to the extent necessary to use Developments and to the extent Company is authorized to distribute such Original Technology pursuant to the terms and conditions of this Agreement.

1.4 "**Digital Cinema Services**" means services related to the digital playback and display of feature films at a level of quality commensurate with that of 35 mm film release prints that includes high-resolution film scanners, digital image compression, high-speed data networking and storage, and advanced digital projection, and may also include monitoring of equipment and content delivery, support of key management, content delivery and content management. **[NCM: Additional language in this Section is per Travis Reid]**

1.5 "DTDS Software" means the AMC Digital Theatre Distribution System software for in-theatre content management.

1.6 "Exhibitor Services Agreement" means, with respect to any Exhibitor, that certain Exhibitor Services Agreement between the Company and such Exhibitor or such Exhibitor's Affiliate pursuant to which the Company provides services (including without limitation the Advertising Services, the Digital Programming Services, and the Meeting Services, each as defined therein).

1.7 "In-Theatre DCS Software" means the in-theatre portion of the Regal proprietary Digital Content Software (DCS).

1.8 "Object Code" means computer programs in machine readable, object code format.

1.9 "Operating Agreement" means that certain Third Amended and Restated Limited Liability Company Operating Agreement of National CineMedia, LLC of even date herewith.

1.10 "Original Technology" shall mean the AMC Original Technology and the Regal Original Technology.

1.11 "Regal Original Technology" means the Regal original technology identified in Exhibit 1.11 hereto, including all Object Code and all Source Code thereto, and further including all patent rights, copyrights and trade secrets of Regal or any Regal Affiliate applicable to the foregoing.

1.12 "Source Code" shall mean the representation of software in a form amenable to human understanding in a higher level computer programming language, together with all developer comments and other programmer documentation.

1.13 "Technology" means copyrights, patents, patent applications and trade secrets.

1.14 "Territory" means the 50 states of the United States of America and the District of Columbia.

2. License.

2.1 Original Technology. Except for the Source Code to the Original Technology, which is covered in Section 2.2 herein, Regal and AMC each hereby grants to the Company a perpetual, royalty free license in the Territory to use, make, have made, copy, perform, display, and create derivative works of such Exhibitor's Original Technology, but only in connection with providing the services that are included within the Service, as that term is defined in the Exhibitor Services Agreement, in the Territory (the "Field of Use"). Except as may be provided in Section 2.4, below, the license shall be exclusive, even as to the Exhibitors, in the Field of Use. Regal and AMC each remains free to fully exploit its Original Technology and Developments outside of the Field of Use. The Object Code of the Original Technology may be sublicensed by the Company in the Territory solely as required to permit receipt by the Exhibitors or other movie exhibitors and their affiliates, as applicable, of services included within the Service, as defined. The Parties agree that ownership of the Original Technology, and, subject to Section 9, Regal and AMC's Developments thereto, is retained by Regal and AMC, respectively.

2.2 Source Code to Original Technology and Developments. Regal and AMC each hereby grants to the Company a perpetual, royalty free license in the Territory and solely in the Field of Use to use, make, have made, copy and create derivative works of the Source Code to its Original Technology and Developments that are licensed hereby, provided, however, that except as provided in Section 8, below, the Source Code of each of Regal's and AMC's Original Technology and its Developments thereto will be treated as Confidential Information and will not be disclosed to the other Exhibitors or to any third party. Except as provided in Sections 2.4

and 9, below, this license shall be exclusive, even as to Regal and AMC, in the Field of Use. **[NCM: these Section references are hangovers from an internal draft and no longer needed due to the scaled back version that was circulated to NCM]** Regal and AMC each remains free to fully exploit the Source Code to its Original Technology and Developments outside of the Field of Use. If appropriate, Source Code can be put into escrow for the benefit of an Exhibitor or other authorized licensee or sublicensee of the Company subject to the approval of the escrow agreement by the Party which owns the Source Code in question.

2.3 Patents. Patents and patent applications of Regal and AMC which are covered by the definition of Original Technology will be treated for purposes of this Agreement like the rest of the Original Technology.

2.4 Company Technology. [NCM: the changes to this section are reversions back to the language from the 1.15.07 draft]Subject to Section 8, each Exhibitor has the right to use the Company Technology within the Field of Use solely as provided by Section 7.01 of the respective Exhibitor's Exhibitor Services Agreement. Each Exhibitor agrees that in connection with its use of the Company Technology as permitted under its Exhibitor Services Agreement, it will not, nor will it permit, cause, or authorize any other person or entity to re-engineer, reverse engineer, decompile, or disassemble the Original Technology or Developments to the in-theatre portion of the software of any other Exhibitor or create or recreate the Source Code for the in-theatre portion of any other Exhibitor's Original Software or Developments.

3. Developments. Notwithstanding any provision in this Agreement to the contrary, each Party hereto shall have the right and shall be free to develop, modify and make improvements to any of the Technology: (a) licensed to such Party pursuant to Sections 2 and 3 of this Agreement or (b) owned by such Party as set forth in Section 9 of this Agreement. The ownership of all such Developments will be as set forth in Section 9 hereof.

3.1 License by the Company.

3.1.1 License to Exhibitors. Within [____] days following the Effective Date, the Company will notify the Exhibitors in writing of all Company Developments in existence as of the Effective Date. The Company hereby grants to each Exhibitor a perpetual, exclusive, worldwide, royalty free license to use, make, have made, copy, perform, and create derivative works of all Developments of the Company in existence as of the Effective Date only outside of the Field of Use for the Exhibitor's internal business purposes. The foregoing license includes the right to have independent contractors, including without limitation DCIP, prepare derivative works and modifications to the Developments. This license shall be exclusive, even as to Company, outside the Field of Use. Notwithstanding the preceding sentence, (i) the Company has no obligation to provide AMC or Cinemark, and the license set forth in the preceding sentence expressly excludes, any Developments consisting of Source Code for improvements to the In-Theatre DCS Software, and (ii) without expanding the license set forth in the preceding sentence, the license set forth in the preceding sentence does not include the right to, and the Exhibitors will not, use any Developments of the Company in connection with Digital Cinema Services. The Company shall deliver to each Exhibitor any Development licensed under this Section 3.1.1, in both object code and Source Code format, no later than _____ days after the Effective Date. Any Source Code licensed by the Company pursuant to this Section 3.1.1 will be

treated by the Exhibitor as Confidential Information and may be disclosed only to persons who first agree to treat it as Confidential Information. Upon request of an Exhibitor, Source Code can be put into escrow for the benefit and at the expense of the Exhibitor subject to the reasonable approval of the escrow agreement by Company.

3.1.2 License to DCIP. The Company will reasonably promptly notify DCIP in writing of any Company Development if the Development may have application to or be useful in the delivery of Digital Cinema Services. The Company hereby grants to DCIP a perpetual, exclusive, worldwide, royalty free license to use, make, have made, copy, perform, and create derivative works of and sub-license any such Developments of the Company, in both object code and Source Code format, only for Digital Cinema Services. This license shall be exclusive, even as to Company, for Digital Cinema Services. Company shall deliver to DCIP any Development licensed under this Section 3.1.2, in both object code and Source Code format, (a) no later than _____ days after Company's good faith determination that such Development may have application to Digital Cinema Services, and (b) at any time upon DCIP's request. Any Source Code licensed by the Company pursuant to this Section 3.1.2 will be treated by DCIP as Confidential Information and may be disclosed only to persons who first agree to treat it as Confidential Information. In conjunction with DCIP's exercise of the rights granted under this Section 3.1.2, **[Under review by Exhibitors:** DCIP agrees that it will not disclose to any Exhibitor any Source Code licensed by the Company pursuant to this Section 3.1.2 unless DCIP elects to affirmatively exercise its license rights with respect to such Source Code for Digital Cinema Services.**]** Upon request of DCIP, Source Code can be put into escrow for the benefit and at the expense of DCIP subject to the reasonable approval of the escrow agreement by Company.

3.2 License by the Exhibitors. While each Exhibitor has granted the Company the exclusive right to create derivative works of the Original Technology within the Field of Use (except as may be provided in Sections 2.4 and 9), each Exhibitor will within [____] days following the Effective Date notify the Company in writing of any Exhibitor Development in existence as of the Effective Date if such Development may have application in the Field of Use. Except for Source Code, which is covered in Section 2.2 herein, each Exhibitor hereby grants to the Company a perpetual, exclusive, royalty free license in the Territory to use, make, have made, copy, perform, display, create derivative works of and sub-license any such Developments of such Exhibitor, but only in the Field of Use. Except as may be provided in Section 2.4, the license shall be exclusive, even as to the Exhibitors, in the Field of Use. AMC has no obligation to provide the Company with Developments consisting of Source Code for improvements to its DTDS Software.

3.3 License by DCIP. DCIP will reasonably promptly notify the Company in writing of any DCIP Development if the Development may have application in the Field of Use. DCIP hereby grants to the Company a perpetual, exclusive, royalty free license in the Territory to use, make, have made, copy, perform, display, create derivative works of and sub-license any such Developments of DCIP, but only in the Field of Use. Except as may be provided in Section 2.4, the license shall be exclusive, even as to DCIP, in the Field of Use. DCIP shall deliver to Company any Development licensed under this Section 3.3, in both object code and Source Code

format, (a) no later than thirty (30) days after DCIP's good faith determination that such Development may have application in the Field of Use, and (b) at any time upon Company's request.

4. License Fee. In addition to the mutual grants of rights exchanged under this Agreement, no additional consideration is due under this Agreement. The Parties agree that no sales or use taxes will be due in connection with this Agreement; provided, however, in the event such taxes are due, the Company will be responsible for paying them.

5. Representations And Warranties; Disclaimer. Each Party represents and warrants to the other that: (a) it has full power to enter into this Agreement, to carry out its obligations under this Agreement and to grant the rights and licenses granted under this Agreement; and (b) its compliance with the terms and conditions of this Agreement will not violate laws or regulations applicable to such Party or any third party agreements to which it is a party. EXCEPT FOR THE WARRANTIES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, EACH PARTY HEREBY DISCLAIMS UNDER THIS AGREEMENT ALL IMPLIED WARRANTIES, INCLUDING THE WARRANTIES OF TITLE, MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE.

6. Confidentiality. Confidential Information of one Party that is disclosed to or observed by other Parties pursuant to this Agreement will be governed by the provisions of Section 11.3 of the Operating Agreement, except to the extent of any conflict with the express provisions of this Agreement.

7. Noncompetition.

7.1 Covenants. Throughout the term of this Agreement and notwithstanding the termination of any Exhibitor's Exhibitor Services Agreement (the "Noncompetition Period"), (a) Company shall not, directly or indirectly, as an owner, shareholder, joint venturer, advisor, consultant or otherwise, engage in any activity that competes with or is enhanced by DCIP's business or activities within Digital Cinema Services without the prior written consent of DCIP, which DCIP may withhold in its absolute discretion, and (b) DCIP shall not, directly or indirectly, as an owner, shareholder, joint venturer, advisor, consultant or otherwise, engage in any activity that competes with or is enhanced by Company's business or activities within the Field of Use without the prior written consent of Company, which Company may withhold in its absolute discretion.

7.2 Acknowledgments. Company and DCIP (the "Noncompetition Parties") each acknowledge that the foregoing restriction on competition is fair and reasonable under the circumstances and necessary in order to protect and preserve the business interests of each Noncompetition Party. Company also acknowledges that as a result of its engagement with DCIP, Company will have access to information and materials that would be valuable or useful to Digital Cinema Services. DCIP likewise acknowledges that as a result of its engagement with Company, DCIP will have access to information and materials that would be valuable or useful in the Field of Use. Each Noncompetition Party therefore acknowledges that the foregoing restrictions on its future business activities are fair and reasonable.

7.3 Remedies. Each Noncompetition Party acknowledges, covenants and agrees that (a) irreparable loss and damage will be suffered by the protected Noncompetition Party if the obligated Noncompetition Party should breach or violate any of the covenants and agreements contained in this Section 7, and (b) in addition to any other remedies available to the protected Noncompetition Party, the protected Noncompetition Party shall be entitled to injunctive relief against the obligated Noncompetition Party to prevent a breach or contemplated breach by the obligated Noncompetition Party of any of the covenants or agreements contained herein without the requirement of posting a bond.

8. Rights upon Termination of an Exhibitor Services Agreement.

8.1 Termination for Material Breach by the Company. [Under review by Exhibitors: As soon as practicable prior to the termination of an Exhibitor's Exhibitor Services Agreement other than as a result of a material breach by such Exhibitor pursuant to either of subsections 9.02 (a) or (b) of such Exhibitor Services Agreement, (i) a copy of the Company Technology in existence as of the Effective Date will be distributed to the Exhibitor; (ii) the Company's license of that Exhibitor's Original Technology and that Exhibitor's Developments pursuant to the terms of this Agreement shall automatically convert to a non-exclusive license without the requirement of further action by any Party; and (iii) the Exhibitor shall have the perpetual, non-exclusive, worldwide, royalty free right and license to use, make, have made, copy, perform, display and create derivative works of the Company Technology in existence as of the Effective Date, subject to the restrictions herein. With the exception of the Exhibitor's Original Technology and Developments, the use of which shall be unrestricted after the termination of the Exhibitor's Exhibitor Services Agreement (1) the Exhibitor shall be permitted to use the Company Technology distributed pursuant to this Section 8.1 only for its internal business purposes in its own Theatres; and (2) the Source Code included in the Company Technology distributed pursuant to this Section 8.1 will be maintained by the Exhibitor as Confidential Information subject to the terms of Section 11.3 of the Operating Agreement.**]**

8.2 In-Theatre DCS Software. Notwithstanding anything herein to the contrary, upon any termination as provided in this Article 8, or other distribution of Company Technology as may be permitted hereunder, the Company shall have no right or obligation to provide to AMC or Cinemark, and AMC and Cinemark shall not receive access or any rights to, any Source Code for the In-Theatre DCS Software, or any Developments consisting of Source Code for improvements to the In-Theatre DCS Software.

9. Ownership.

9.1 Original Technology. Except for the rights expressly granted to Company under this Agreement, each Exhibitor will retain all right, title and interest in and to the Original Technology of that Exhibitor, including all worldwide Technology and intellectual property and proprietary rights therein and related thereto.

9.2 Exhibitor Developments. Except for the rights expressly granted under this Agreement, each Exhibitor will retain all right, title and interest in and to any Developments authored, conceived of and reduced to practice, or otherwise developed solely by that Exhibitor, including all worldwide Technology and intellectual property and proprietary rights therein and

related thereto, and such Developments shall be made available to Company pursuant to the license set forth in Section 3.2 hereof.

9.3 DCIP Developments. Except for the rights expressly granted under this Agreement, DCIP will retain all right, title and interest in and to any Developments authored, conceived of and reduced to practice, or otherwise developed by DCIP, including all worldwide Technology and intellectual property and proprietary rights therein and related thereto, and such Developments shall be made available to Company pursuant to the license set forth in Section 3.3 hereof.

9.4 Company Developments. Except for the rights expressly granted under this Agreement, Company will retain all right, title and interest in and to any Developments authored, conceived of and reduced to practice, or otherwise developed by Company, including all worldwide Technology and intellectual property and proprietary rights therein and related thereto, and such Developments shall be made available to the Exhibitors and DCIP pursuant to the license set forth in Section 3.1 hereof. Notwithstanding the foregoing, ownership of Developments authored, conceived of and reduced to practice, or otherwise developed by Company in connection or collaboration with any Exhibitors shall be negotiated by the relevant Parties in good faith on case-by-case basis.

9.5 Other Joint Developments. To the extent not addressed in the Operating Agreement, an Exhibitor Services Agreement, or any other agreement existing between the Parties, the Parties contemplate that the ownership of any new Technology developments not related to the Original Technology developed under this Agreement will be determined in accordance with a separate written agreement relating to the development of that Technology, provided that if no such separate agreement is signed between the Parties, the ownership of any such Technology will be determined in accordance with applicable intellectual property laws. In the event that Parties who jointly own Technology agree to file a patent application or copyright registration in connection therewith, each such Party will be responsible for an equal share of the costs associated with such filing. Such Parties will agree on which Party shall be responsible for filing and maintaining the resulting intellectual property rights. If all Parties who jointly own the Technology in question are not able to agree on whether to file the application or registration, the other applicable Parties may proceed, and the non-proceeding Party will cooperate as reasonably requested in connection therewith at the expense of the Party or Parties that are proceeding with the application or registration, and the Parties who are proceeding will own any resulting patent or copyright. If the Parties who jointly own Technology determine that a third party may be infringing upon any of that Technology, they shall notify the other Parties and shall discuss the possibility of acting together to halt such infringement. If the parties cannot agree within three months of such notice to take any action to halt such infringement, then the Party or Parties who are interested in acting may take independent action without the participation of the other Party. In such case, the non-acting Parties will provide all reasonable assistance requested by the acting Party in halting the infringement, including, for example, becoming a party to any litigation action if such is required for the action to proceed. The proceeding Parties shall share equally in any financial return from such action without an obligation to share with the non-participating Party.

10. Limitation on Liability. EXCEPT FOR A BREACH OF ANY PARTY'S CONFIDENTIALITY OBLIGATIONS, THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY PARTY, OR AN INFRINGEMENT OR MISAPPROPRIATION OF ANY PARTY'S INTELLECTUAL PROPERTY RIGHTS, NO PARTY TO THIS AGREEMENT WILL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

11. General Terms.

11.1 Entire Agreement and Amendment. This Agreement supersedes all prior agreements, oral and written, between the parties with respect to its subject matter and constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

11.2 Effect of Related Agreements on DCIP. DCIP agrees to be bound by the following: (a) the meaning given to "Service" in the Exhibitor Services Agreement, and (b) Section 11.3 of the Operating Agreement, as provided in Section 6 hereof.

11.3 Waiver; Remedies. The waiver or failure of a Party to exercise in any respect any right provided hereunder shall not be deemed a waiver of such right in the future or a waiver of any other rights established under this Agreement. All remedies available to any Party hereto for breach of this Agreement are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

11.4 Assignment. No Party may assign or transfer, by operation of law or otherwise, any of its rights or obligations under this Agreement to any third party without all other Parties' prior written consent. Any Party may fulfill its obligations hereunder by using third-party vendors or subcontractors; provided, however, that such Party shall remain fully and primarily responsible to ensure that such obligations are satisfied. A Permitted Transfer (as defined in the Exhibitor Services Agreement) and any transfer by DCIP to an Exhibitor or by any Exhibitor to DCIP shall not be deemed an assignment or transfer for purposes of this Agreement. **[Proposed by NCM for review by Exhibitors:** Any transfer by DCIP to an Exhibitor shall be subject to continued compliance with the provisions of Section 3.1.2**]** Any Permitted Transfer by assignment to an Affiliate of an Exhibitor shall be (i) conditioned upon (A) the transferee entering into an Assignment and Assumption, (B) the Exhibitor agreeing in writing to remain bound by the obligations under this Agreement, and (ii) effective only so long as the Affiliate remains an Affiliate of transferee. Any attempted assignment in violation of this Section shall be void. Each Exhibitor acknowledges and agrees that in the event of the sale of all or substantially all of its assets, the failure to include (by operation of law or otherwise) the assignment of its interest in this Agreement in respect of such assets as part of the sale shall constitute a material breach of this Agreement. Notwithstanding the foregoing, this Agreement shall not be assignable by a Party unless the assignee expressly assumes in writing all of the obligations of the assignor hereunder. Any attempted assignment in violation of this section shall be void.

11.5 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

11.6 Section Headings, Construction. The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement.

11.7 Governing Law, Dispute Resolution. Any dispute arising under this Agreement shall be subject to the provisions of Section 10.10 of the Operating Agreement with respect to governing law and dispute resolution, which provisions are hereby fully incorporated herein and made a part hereof; provided, however, that the Parties further agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement and is hereby disclaimed by the Parties.

11.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

11.9 Independent Contractors. Each of Regal, AMC, Cinemark, DCIP and the Company shall act solely as an independent contractor, and nothing herein shall at any time be construed to create the relationship of employer and employee, partnership, principal and agent, broker or finder, or joint venturers as among Regal, AMC, Cinemark, DCIP and the Company. No Party shall have any right or authority, and shall not attempt, to enter into any contract, commitment or agreement or incur any debt or liability of any nature, in the name of or on behalf of any other party.

11.10 Bankruptcy. The Parties acknowledge and agree that the license rights granted in this Agreement, including specifically but without limitation the rights to use, modify, and create derivative works of Source Code, are intended to survive and continue unimpaired by the insolvency or bankruptcy of the licensor, and that this Agreement shall be deemed to be, for purposes of the United States Bankruptcy Code, a license to "intellectual property" as such term is used in Sections 365(n) and 101(35A) thereof.

11.11 Survival. This Agreement shall survive the liquidation or dissolution of the Company. The rights granted pursuant to this Agreement, including without limitation the license rights granted in Sections 2 and 3 above, are intended to be perpetual and irrevocable.

[Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their respective officers or representatives thereunto duly authorized as of the date first above written.

NATIONAL CINEMEDIA, LLC

By: _____

Name: Kurt C. Hall
Title: Chief Executive Officer

REGAL CINEMEDIA CORPORATION

By: _____

Name:
Title:

AMERICAN MULTI-CINEMA, INC.

By: _____

Name:
Title:

CINEMARK USA, INC.

By: _____

Name:
Title:

DIGITAL CINEMA IMPLEMENTATION PARTNERS, LLC

By: _____

Name:
Title:

EXHIBIT 1.1
AMC ORIGINAL TECHNOLOGY

Software	Description
Digital Theatre Distribution System (DTDS)	**Application software for in theatre content management.**
HAL	**Application software for contract management.**
Digital Slot Guide (DSG)	**Application software for trafficking of digital products.**
NCN System	**Application software for contract management and trafficking of Slides and MovieTunes.**
Patent Application	**Application No. US 2004/0216163 A1, Whitcomb, Pub. Date: Oct. 28, 2004**

EXHIBIT 1.11

REGAL ORIGINAL TECHNOLOGY

The Digital Content System (DCS) includes software to ingest, schedule, deliver, and play digital content on a network of remote displays, as well as tools to support and administer such a network system.

The DCS consists of the following components:

Subsystems	Software Components	Description
Sales Support	– *Proposal Maker* – *Contract Management*	Application software which provides a user interface and sales tool to create customer proposals and convert them to contracts.
Delivery	Content Distribution – *Commgr* – *ComSrv* – *MulticastMgr* – *Content Management System (CMS)*	Application software which: – Delivers physical content files from a central location to the local system – Delivers physical content files to the local playback nodes within a local system.
	Schedule & Data Synchronization – *Commgr* – *ComSrv* – *XMLTransfer* – *TDPackager* – *ContentSvr*	Application software which: – Packages and delivers a subset of the scheduling data pertinent to a particular theatre. – Receives synchronization data from the various sites and updates the central database. – Packages and delivers audit and status data from the local database to the central system. – Receives audit data from the local playback nodes and updates the local database
Delivery Preparation	Content Queuing – *AdPrep*, – *MulticastPrep* – *Multicast Monitor*	Application software which reads the central schedule data, determines which media files need to be updated on which local systems, and places each necessary media file in the central queue for distribution.
	Playlist Generation – *AdPrep*	Application software which reads the central scheduled and default contract data, and creates a play-list for each distinct playback system on the network
Content Library	Job Tracking	A repository of digital media items, and tools to ingest, find and manage those items
Content Scheduling	Inventory Sales – *Scheduling* – *Site Selection*	Application software which manages the amount and location of sellable inventory (play-list slots) for all sellable end-points on the network.
	Contract Fulfillment – *Scheduling* – *Site Selection* – *Job Tracking*	Application software which associates a contract with a piece of content stored in the content library

Network Operations	Problem Ticketing – *Trouble Ticket*	Application software which allows NOC personnel to track issues that are tied to site locations and/or specific end-nodes on the network
	Asset Management – *Inventory Tracker*	Application software which allows Operations to track the physical equipment that exists at each site location.
	Delivery System Administration – *Delivery*	A set of maintenance and administration tools that allows Operations to configure and manage the delivery system
	Network and System Maintenance – *Site/Unit Maintenance*	A set of maintenance tools that allows Operations to edit data related to the locations and end-points of the system
	System Monitoring and Automated Remote Troubleshooting (SMART)	A set of tools to: – Monitor the health of the DCS network, and execute self diagnostics at the TMS level – Troubleshoot a specific site to determine why it is not operating as expected or desired. ..
External Interface	Point of Sale System – *TDPackager*	Application software which extracts information from the POS system within a theatre.
	Satellite – *Multicast Manager*	Application software which effects an interface with the satellite network provider receiver
Content Playback	Player	Application software which plays digital media files in the order specified by the play-list.
	Content Reception – *Datasrv*	Application software which effects all data communications with a central server or a local server. It also manages delivered media files and prepares them for use by the Player.

PATENT FILINGS

US Patent and Trademark Office

Patent Name	**Docket No.**	**Date Filed**	**Application Serial No.**
System and Method for Scheduling In-Theatre Advertising	REGA0001	3/11/03	10/386,366
System and Method for Scheduling Digital Content	REGA0001CON	6/10/03	10/458,034
Digital Projector Automation	REGA0002	6/10/03	10/458,589
System and Method for Selling Presentation Times for Digital Media Stream	REGA0003	8/14/03	10/641,173

Patent Name	Date Filed	Application No.
System and Method for Scheduling In-Theatre Advertising and System and Method for Scheduling Digital Content	12/12/03	PCT/US03/39762 WO2004/081903
Digital Projector Automation	3/5/04	PCT/US04/06993 WO2005/006154

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Amendment No. 6 to Registration Statement No. 333-137976 on Form S-1 of our report dated January 9, 2007 relating to the financial statement of National CineMedia, Inc., appearing in the Prospectus, which is part of this Registration Statement.

We consent to the use in this Amendment No. 6 to Registration Statement No. 333-137976 on Form S-1 of our report dated December 20, 2006 relating to the financial statements of National CineMedia, LLC, appearing in the Prospectus, which is part of this Registration Statement.

We consent to the use in this Amendment No. 6 to Registration Statement No. 333-137976 on Form S-1 of our report dated December 20, 2006 relating to the financial statements of Regal CineMedia Corporation, appearing in the Prospectus, which is part of this Registration Statement.

We consent to the use in this Amendment No. 6 to Registration Statement No. 333-137976 on Form S-1 of our report dated December 20, 2006 relating to the financial statements of National Cinema Network, Inc. appearing in the Prospectus, which is part of this Registration Statement.

We consent to the reference to us under the heading “Experts” in such Prospectus.

/s/ Deloitte & Touche LLP

Denver, Colorado
February 5, 2007