

AMC ENTERTAINMENT HOLDINGS, INC.
Form S-1
September 12, 2007

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As filed with the Securities and Exchange Commission on September 12, 2007

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AMC ENTERTAINMENT HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7832
(Primary Standard Industrial
Classification Code Number)

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

**c/o AMC Entertainment Inc.
920 Main Street
Kansas City, Missouri 64105-1977
(816) 221-4000**

(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. _____

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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. o _____

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. o _____

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. o _____

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common stock, par value \$0.01 per share	\$500,000,000	\$15,350.00

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o).
- (2) Including shares of common stock which may be purchased by the underwriters to cover over-allotments, if any.

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.

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 SEPTEMBER 12, 2007

Shares

AMC Entertainment Holdings, Inc.

Common Stock

This is an initial public offering of shares of common stock of AMC Entertainment Holdings, Inc. We are selling an aggregate of _____ shares in this offering.

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 \$ _____ and \$ _____ per share. We will apply to list the common stock on the New York Stock Exchange under the symbol "AC".

The underwriters have an option to purchase up to an additional _____ shares of common stock from us.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 22.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Us
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.

The date of this prospectus is _____, 2007.

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You should rely only on the information contained in or incorporated by reference in this document. 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.

MARKET AND INDUSTRY INFORMATION

Information regarding market share, market position and industry data pertaining to our business contained in this prospectus consists of our estimates based on data and reports compiled by industry professional organizations (including the Motion Picture Association of America, the National Association of Theatre Owners ("NATO"), Nielsen Media Research, and Rentrak Corporation ("Rentrak")), industry analysts and our management's knowledge of our business and markets. Unless otherwise noted in this prospectus, all information provided by the Motion Picture Association of America is for the 2006 calendar year, all information provided by NATO is for the 2006 calendar year and all information provided by Rentrak is as of June 28, 2007.

Although we believe that the sources are reliable, we have not independently verified market industry data provided by third parties or by industry or general publications. While we believe our internal estimates with respect to our industry are reliable, our estimates have not been verified by any independent sources. While we are not aware of any misstatements regarding any industry data presented in this prospectus, our estimates involve risks and uncertainties and are subject to changes based on various factors, including those discussed under "Risk Factors."

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors" and our consolidated financial statements and accompanying notes.

AMC Entertainment Holdings, Inc. ("Parent"), an entity created on June 6, 2007, is the sole stockholder of Marquee Holdings Inc. ("Holdings"). Holdings is a holding company with no operations of its own and has one direct subsidiary, AMC Entertainment Inc. ("AMC Entertainment"). On June 11, 2007, Marquee Merger Sub Inc. ("Merger Sub"), a wholly-owned subsidiary of Parent, merged with and into Holdings, with Holdings continuing as the surviving corporation. As a result, Holdings became a wholly owned subsidiary of Parent, a newly formed entity controlled by the Sponsors, as defined under " The Reclassification." The Sponsors created Parent to facilitate a debt financing by Parent and a related dividend by Parent to its stockholders. Upon completion of this initial public offering, Holdings will be merged with and into Parent, with Parent continuing as the surviving entity.

As used in this prospectus, the term "pro forma" refers to, in the case of pro forma financial information, such information after giving pro forma effect to (i) the initial public offering of National CineMedia, Inc. ("NCM, Inc.") in February 2007 (the "NCM, Inc. IPO"), our use of proceeds from the NCM, Inc. IPO to fund bond redemptions and the related transactions described under "Unaudited Pro Forma Condensed Consolidated Financial Information The NCM Transactions," which we refer to collectively as the "NCM Transactions,"(ii) the disposition during fiscal 2007 of certain theatres relating to the merger of Loews Cineplex Entertainment Corporation ("Loews") with AMC Entertainment in January 2006 (the "Loews Dispositions"), (iii) the Parent Transactions (as defined under " Recent Developments Parent Transactions") and (iv) this offering, the reclassification of Parent's capital stock described under " The Reclassification" and related transactions, including the merger of Holdings into Parent (the "Offering Transactions"). Except as stated otherwise herein, the share data set forth in this prospectus reflects the reclassification of Parent's capital stock as described below under " The Reclassification."

Holdings has a 52-week or 53-week fiscal year ending on the Thursday closest to April 1. Fiscal years 2004, 2005, 2006 and 2007 contained 52 weeks. Fiscal 2003 contained 53 weeks.

Who We Are

We are one of the world's leading theatrical exhibition companies based on a number of characteristics, including total revenues. We were founded in 1920 and since that time have pioneered many of the industry's most important innovations, including the multiplex theatre format in the early 1960s and the North American megaplex theatre format in the mid-1990s. In addition, we have acquired some of the most respected companies in the theatrical exhibition industry, including Loews and General Cinema, and we have a demonstrated track record of successfully integrating those companies through timely theatre conversion, headcount reductions and consolidation of corporate operations. As of June 28, 2007, we owned, operated or held interests in 377 theatres with a total of 5,300 screens, approximately 87% of which were located in the United States and Canada. Our theatres are primarily located in large urban markets in which we have a strong market position relative to our competitors. We believe that we have one of the most modern and productive theatre circuits, as evidenced by our average screen per theatre count in the United States and Canada of 14.8 and our pro forma attendance per theatre of more than 655,000 patrons, both of which we believe to be substantially in excess of industry averages. For the 52 weeks ended June 28, 2007, on a pro forma basis, we had revenues of \$2.4 billion, Adjusted EBITDA of \$425.6 million, a loss from continuing operations of \$60.3 million and, on a historical basis, we had net cash provided by operating activities of \$394.7 million. See "Summary Unaudited Pro Forma Financial and Operating Data."

In the United States and Canada, as of June 28, 2007, we operated 311 theatres with 4,597 screens in 30 states, the District of Columbia and 2 Canadian provinces. We have a significant presence in most major urban "Designated Market Areas," or "DMA's" (television areas as defined by Nielsen Media Research). Our U.S. and Canada theatre circuit represented 92.5% of our revenues for the 52 weeks ended June 28, 2007 on a pro forma basis.

As of June 28, 2007, our international circuit of 66 theatres with 703 screens consisted principally of wholly-owned theatres in Mexico and an unconsolidated joint venture in South America. In Mexico, we owned and operated 44 theatres with 488 screens primarily located in the Mexico City Metropolitan Area, or MCMA, through Grupo Cinemex, S.A. de C.V. and its subsidiaries (Cinemex). We believe that we have the number one market share in the MCMA with an estimated 49% of MCMA attendance through December 31, 2006. In addition, as of June 28, 2007, we participated in a 50% joint venture in South America (Hoyts General Cinema South America), which owned 17 theatres with 160 screens, and wholly-owned three theatres and 42 screens in Europe. We sold our interests in Hoyts General Cinema South America on July 5, 2007. Our wholly-owned international circuit represented 7.5% of our revenues for the 52 weeks ended June 28, 2007 on a pro forma basis.

Our Competitive Strengths

There are several principal characteristics of our business that we believe make us a particularly effective competitor in our industry and position us well for future growth. These include:

Leading Scale and Major Market Position. We are one of the world's leading theatrical exhibition companies and enjoy geographic market diversification and leadership in major markets worldwide. We believe the breadth of our operations allows us to achieve economies of scale, providing us with competitive advantages in real estate negotiations, theatre-level operations, purchasing, theatre support and general and administrative activities. We also believe our size and scale positions us to benefit from positive industry attendance trends and revenue generating opportunities.

Our theatres are generally located in large, urban markets. Traditionally, the population densities, affluence and ethnic and cultural diversity of top DMA's generate higher levels of box office revenues per capita and greater opportunity for a broader array of film genres, all of which we believe position our circuit to benefit from the potential growth in these markets. We also believe our major-market presence makes our theatres incrementally more important to studios who rely on our markets for a disproportionate share of box office receipts. As of June 28, 2007, we operated in all but two of the Top 25 DMA's, and had the number one or two market share in 22 of the top 25 DMA's, including the number one market share in New York City, Chicago, Dallas and Washington, D.C. We also operated 23 of the top 50 theatres in the United States and Canada in terms of box office revenues as measured by Rentrak.

Modern, Highly Productive Theatre Circuit. We are an industry leader in the development and operation of megaplex theatres, typically defined as a theatre having 14 or more screens and offering amenities to enhance the movie-going experience, such as stadium seating providing unobstructed viewing, digital sound and enhanced seat design. As of June 28, 2007, 3,338, or approximately 73%, of our screens in the United States and Canada were located in megaplex theatres and the average number of screens per theatre was 14.8, more than twice the industry average of 6.6, according to estimates by management.

We believe our megaplex theatres provide a more enjoyable experience for our patrons, in that they offer a wider selection of films and showtimes and generally are equipped with a variety of other amenities. Accordingly, we believe our high proportion of megaplex theatres provide us with better asset utilization and enhanced revenue opportunities. For the 52 weeks ended June 28, 2007, on a pro forma basis, our theatre circuit in the United States and Canada produced box office revenues per screen at rates approximately 26% higher than our closest peer competitor and 47% higher than the

industry average, as measured by Rentrak. On average, our theatres do more business and serve more customers, which positions us to benefit from our highly profitable concessions operations and growth in other ancillary sources of revenue.

Strong Cash Flow Generation. The combination of our major market focus and highly productive theatre circuit allows us to generate significant cash flow. For the 52 weeks ended June 28, 2007, our net cash provided by operating activities totaled \$394.7 million. In future years, we expect to generate enough cash flow to maintain existing facilities, consistent with our high standards of quality, invest in our business when we find attractive opportunities to build or acquire theatres, service our debt, and pay dividends to our stockholders.

Proven Management Team. Our executive management team has an average of approximately 23 years of experience in the theatrical exhibition industry. Our leadership team has guided our company through a number of economic and industry cycles, and has successfully integrated a number of important acquisitions while achieving immediate cost savings.

Risk Factors. Despite our competitive strengths discussed above, investing in our common stock involves a number of risks, including:

Our substantial debt could adversely affect our operations and prevent us from satisfying our obligations under our debt obligations, and may have an adverse effect on the price of our stock. On a pro forma basis, we had \$1,938.7 million of outstanding indebtedness as of June 28, 2007 and interest expense of \$179.3 million for the 52 weeks ended June 28, 2007;

The agreements governing our indebtedness contain covenants that may limit our ability to take advantage of certain business opportunities;

Prior to fiscal 2007, we had reported net losses in each of the last nine fiscal years totaling approximately \$512.0 million. For fiscal 2007, we reported net earnings of \$116.9 million and for the thirteen weeks ended June 28, 2007, we reported net earnings of \$14.6 million;

We face significant competition for new theatre sites, and we may not be able to build or acquire theatres on terms favorable to us; and

Our loss of key management personnel or our inability to hire and retain skilled employees at our theatres could adversely affect our business.

For a discussion of the significant risks associated with our business, our industry and investing in our common stock, you should read the section entitled "Risk Factors."

Our Strategy

Our strategy is driven by the following three primary elements:

Growing Core and Ancillary Revenues. We believe we have opportunities to increase our core and ancillary revenues through strategic marketing initiatives, new product offerings and other enhancements to our business. Since fiscal 2001 through June 28, 2007, theatre revenues per patron for AMC Entertainment have increased by a 4.8% compound annual growth rate, or CAGR, which resulted in a per patron increase of more than \$2.71 over this period.

Over the years we have implemented a number of key programs and initiatives designed to grow our core and ancillary revenues. For example:

In 2006, we implemented specific marketing initiatives targeted at increasing attendance. In addition, we have introduced value oriented pricing and product combinations as part of our concession offerings, increasing both concession spending per patron and our profitability;

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Our MovieWatcher frequent moviegoer loyalty program has approximately 1.6 million active members, which we believe to be among the largest of its kind in the industry;

We introduced the AMC Entertainment Card in October 2002, the first stored-value gift card sold circuit-wide in the industry. We currently sell the card through several marketing alliances at approximately 50,000 retail outlets throughout the United States and Canada;

We were a founding member and currently own approximately 18.6% of National CineMedia, LLC, a cinema screen advertising venture representing approximately 14,000 North American theatre screens (of which approximately 12,000 are equipped with digital projection capabilities) that reaches over 550 million movie guests annually; and

We were a founding partner and currently own approximately 27% of MovieTickets.com, an Internet ticketing venture representing over 10,000 screens.

In February 2007, we formed a joint venture known as Digital Cinema Implementation Partners LLC, a Delaware limited liability company ("DCIP") with CineMark Media, Inc. ("Cinemark") and Regal CineMedia Holdings, LLC ("Regal"), to facilitate the financing and deployment of digital cinema in our theatres and to enter into agreements with digital cinema equipment vendors, and major motion picture studios for the implementation of digital cinema. Based upon DCIP's progress to date, installation of digital cinema systems in our, Cinemark's and Regal's new build theatres is expected to begin during the fourth quarter of calendar year 2007 and replacement of 35 millimeter equipment in existing theatres is expected to begin in the first quarter of calendar year 2008 and take approximately two years to complete.

Digital cinema systems enhance operational and programming efficiencies within our theatres, improve overall presentation quality and substantially increase the programming options that are available to us including 3D and alternative content. Given our concentration in major DMA's and the overall diversity of our patron base, we believe that these additional programming enhancements will be particularly appealing to our patrons and represent a significant opportunity to increase core and ancillary revenues.

Maximizing Operating Efficiencies. A fundamental focus of our business is managing our costs and expenses and, as a result, improving our margins. Since fiscal 2001, we have implemented initiatives which have resulted in the following:

Our cost of operations has declined as a percentage of total revenues from 67.4% in fiscal 2001 to 63.6% for the 52 weeks ended June 28, 2007;

Our general and administrative expense has declined as a percentage of total revenue from 2.7% in fiscal 2001 to 1.8% during the 52 weeks ended June 28, 2007; and

Our Segment Adjusted EBITDA⁽¹⁾ margins have increased from 14.5% in fiscal 2001 to 18.6% for the 52 weeks ended June 28, 2007.

(1)

See note 13 to our unaudited consolidated financial statements and note 17 to our audited consolidated financial statements included elsewhere in this prospectus for a discussion of Segment Adjusted EBITDA including a reconciliation to operating earnings (loss). We have computed Segment Adjusted EBITDA margins by dividing Segment Adjusted EBITDA by total revenues. Segment Adjusted EBITDA is disclosed in our unaudited and audited financial statements as it is a primary measure used by us to evaluate the performance of our segments and to allocate resources.

Optimizing Our Theatre Portfolio. Our highly productive theatre circuit is a function of our new build, theatre disposition and acquisition strategies. Because we are a recognized leader in the development and operation of megaplex theatres and because we have significant financial resources,

we believe that we will continue to have a strong pipeline of attractive new build opportunities. We intend to selectively pursue such opportunities where the characteristics of the location and the overall market meet our strategic and financial return criteria. As of June 28, 2007, we had six theatres in the United States and Canada with a total of 90 screens under construction and scheduled to open in fiscal 2008.

We believe that our proactive efforts to dispose of older, underperforming theatres further differentiates us from our competitors and has been an important contributor to our overall theatre portfolio quality. We will continue to evaluate our theatre portfolio and, where appropriate, dispose of theatres through closures, lease terminations, lease buyouts, sales or subleases.

Our Industry

We believe the theatrical exhibition industry is and will continue to be attractive for a number of key reasons, including:

A Highly Popular Consumer Experience. Going to the movies is one of the most popular out-of-home entertainment experiences in the United States. We believe the popularity of moviegoing is driven by a number of factors, including the widespread availability of movie theatres and the affordability of tickets relative to other recreational activities. The estimated average price of a movie ticket was \$6.55 in 2006, considerably less than other forms of out-of-home entertainment such as concerts and sporting events.

Long History of Steady Growth. Box office revenues in the United States and Canada have increased at a 4.7% CAGR over the last 20 years, driven by increases in both ticket prices and attendance. This timeframe has included periods of downturn in both the economy in general and the theatrical exhibition industry in particular.

Importance to Studios. We believe that the theatrical success of a motion picture is often the key determinant in establishing its value in the other parts of the product life cycle, such as DVD, cable television, merchandising and other ancillary markets. As a result, we believe motion picture studios will continue to work cooperatively with theatrical exhibitors to ensure the continued value of the theatrical window.

Exhibition Industry has Consolidated and Rationalized. After a period of over-expansion in the late-1990's, the exhibition industry has experienced significant consolidation and circuit rationalization. The top four exhibitors now account for 53% of box office revenues compared to 29% in 1995. Under this new industry model, screen count growth (as an annual percentage) has been in the low-single digits compared to significantly greater growth in the late-1990's. We have played a key role in this consolidation process: our acquisition of Loews on January 26, 2006 combined two leading theatrical exhibition companies, each with a long history of operating in the industry, and increased the number of screens we operated by 47%.

Significant Ongoing Investment in Motion Pictures. The number of films released in the United States has increased in each of the past five years. Since 2005, this reflects, among other things, a significant investment in the movie business from non-traditional sources. A number of recent motion picture financings have attracted significant participation from large financial institutions looking to diversify their portfolios. We believe the impact of this investment will be the further increase in the number of movies produced each year.

In 2006, theatrical exhibition experienced a marked improvement over 2005, with box office revenues increasing 5.5%, compared to a decrease of more than 5.7% in 2005. We believe this recovery was driven by several factors, the most critical of which was the improved quality of the 2006 film slate (as measured by critical reception) compared to 2005. In 2006, the industry experienced significant

contributions not only from films such as *Pirates of the Caribbean: Deadman's Chest* and *Cars*, but also from a number of successful and critically acclaimed films such as *Borat*, *The Devil Wears Prada* and *The Break-Up*. Through August 30, 2007, box office revenues were up 8.0% over the same period in 2006, driven by a number of films including *Spider-Man 3*, *Shrek the Third* and *Transformers*. A number of highly anticipated films are expected to debut during the remainder of 2007 and 2008, including installments of popular movie franchises such as *National Treasure*, *The Chronicles of Narnia*, *Indiana Jones* and *Harry Potter*.

Recent Developments

Parent Transactions. On June 11, 2007, Merger Sub, a wholly-owned subsidiary of Parent, merged with and into Holdings, with Holdings continuing as the surviving corporation. As a result, (i) Holdings became a wholly owned subsidiary of Parent, a newly formed entity controlled by the Sponsors, (ii) each share of Holdings' common stock that was issued and outstanding immediately prior to the effective time of the merger was automatically converted into a substantially identical share of common stock of Parent, and (iii) each of Holdings' governance agreements was superseded by a substantially identical governance agreement entered into by and among Parent, the Sponsors and Holdings' other stockholders. The Sponsors created Parent to facilitate the borrowing of \$400 million in term loans pursuant to a credit agreement entered into by Parent on June 13, 2007 (the "Parent Term Loan Facility") and the use of the net proceeds of such borrowing, along with \$270.6 million of cash on hand at AMC Entertainment, to pay a dividend to Parent's stockholders in the amount of \$652.8 million. We refer to the creation of Parent and the related term loan borrowing and dividend payment, collectively, as the "Parent Transactions."

Change of Control Offers. In connection with the offering, the Sponsors, as defined below, and certain other existing stockholders of Holdings intend to enter into a new voting arrangement, effective upon the closing of the offering, which is described in more detail under "Certain Relationships and Related Party Transactions Governance Agreements." As a result of these new voting arrangements, the offering will constitute a "change of control" under the indentures governing Holding's 12% senior discount notes due 2014 (the "Discount Notes due 2014") and AMC Entertainment's 11% senior subordinated notes due 2016 (the "Notes due 2016") and 8⁵/₈% senior fixed rate notes due 2012 (the "Fixed Notes due 2012"), and Holdings and AMC Entertainment will be required to make change of control offers to purchase these notes after completion of the offering at a price of 101% of the aggregate principal amount thereof plus, without duplication, accrued and unpaid interest to the date of repurchase. To the extent that holders of these notes accept the offers, we anticipate that we would raise the amounts needed to fund the offers with cash on hand, available lines of credit or through new financing; however, we cannot assure you that Holdings and AMC Entertainment would have sufficient funds available or be able to obtain new financing on commercially reasonable terms or at all.

The Reclassification

Prior to consummating this offering, Parent intends to reclassify each share of its existing Class A common stock, Class N common stock and Class L common stock. Pursuant to the reclassification, each holder of shares of Class A common stock, Class N common stock and Class L common stock will receive _____ shares of common stock for one share of Class A common stock, Class L common stock or Class N common stock. The transactions described in this paragraph are referred to in this prospectus as the "Reclassification."

Currently, investment vehicles affiliated with J.P. Morgan Partners, LLC (collectively, "JPMP"), Apollo Investment Fund V, L.P. and certain related investment funds (collectively, "Apollo"), JPMP's and Apollo's co-investors, funds associated with Bain Capital Partners, LLC ("Bain"), affiliates of The Carlyle Group (collectively, "Carlyle"), affiliates of Spectrum Equity Investors (collectively, "Spectrum"), and management hold 100% of Parent's outstanding common stock. JPMP, Apollo, Bain,

Carlyle and Spectrum are collectively referred to as the "Sponsors." After giving effect to the Reclassification and this offering, the Sponsors will hold _____ shares of our common stock (including _____ shares held by certain JPMP and Apollo co-investors, which, pursuant to the governance agreements described below, must be voted by such co-investors to elect JPMP and Apollo board designees), representing approximately _____ % of our outstanding common stock, and will have the power to control our affairs and policies including with respect to the election of directors (and through the election of directors the appointment of management), the entering into of mergers, sales of substantially all of our assets and other extraordinary transactions. The governance agreements will provide that, initially, the Sponsors will collectively have the right to designate eight directors (out of a total of 10 initial board members) and that each will vote for the others' nominees. The right to designate directors will reduce as the Sponsors' ownership percentage reduces, such that the Sponsors will not have the ability to nominate a majority of the board of directors once their collective ownership (together with the share ownership held by the JPMP and Apollo co-investors) becomes less than 50.1%. However, because our board of directors will be divided into three staggered classes, the Sponsors may be able to influence or control our affairs and policies even after they cease to own 50.1% of our outstanding common stock during the period in which the Sponsors' nominees finish their terms as members of our board but in any event no longer than would be permitted under applicable law and New York Stock Exchange listing requirements. See "Certain Relationships and Related Party Transactions Governance Agreements." Pursuant to the Fee Agreement as described under the heading "Certain Relationships and Related Party Transactions Fee Agreement," upon consummation of this offering, the Sponsors will receive an automatic fee equal to the net present value of the aggregate annual management fee that would have been payable to the Sponsors during the remainder of the term of the fee agreement and our obligation to pay annual management fees will terminate. We estimate that our aggregate payment to the Sponsors would have been \$38.7 million had the offering occurred on June 28, 2007.

Corporate Information

AMC Entertainment Holdings, Inc. is a Delaware corporation. Our principal executive offices are located at 920 Main Street, Kansas City, Missouri 64105. The telephone number of our principal executive offices is (816) 221-4000. We maintain a website at www.amctheatres.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.

The Offering

Common stock offered by us	shares
Common stock to be outstanding immediately after this offering	shares
Option to purchase additional shares of common stock.	We have granted to the underwriters a 30-day option to purchase up to additional shares from us at the initial public offering price less underwriting discounts and commissions. The underwriters will not execute sales to discretionary accounts without the prior written specific approval of the customers.
Common stock voting rights	Each share of our common stock will entitle its holder to one vote per share.
Dividend policy	We intend to pay cash dividends commencing from the closing date of this offering. We expect that our first dividend will be with respect to the third quarter of fiscal 2008 and paid as soon as practicable after February 15, 2008. The declaration and payment of future dividends to holders of our common stock will be at the sole discretion of our board of directors and will depend upon many factors, including our financial condition, earnings, legal requirements, restrictions in our senior secured credit facility and the indentures governing our debt securities and other factors our board of directors deem relevant. See "Risk Factors We may not generate sufficient cash flows or have sufficient restricted payment capacity under our senior secured credit facility or the indentures governing our debt securities to pay our intended dividends on the common stock," "Dividend Policy," "Management's Discussion and Analysis of Financial Condition and Results of Operations of AMC Entertainment Holdings, Inc. Commitments and Contingencies," "Description of Certain Indebtedness" and "Description of Capital Stock."
Use of proceeds	We intend to apply the net proceeds from this offering to repay all amounts outstanding under the Parent Term Loan Facility, to make a lump sum payment of \$38.7 million pursuant to our fee agreement with our Sponsors and for general corporate purposes.
Proposed New York Stock Exchange trading symbol	"AC"

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Unless otherwise stated herein, the information in this prospectus (other than our historical financial statements and historical financial data) assumes that:

the Reclassification has been completed;

the underwriters have not exercised their option to purchase up to additional shares of common stock from us;

the initial offering price is \$ 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 are in effect, pursuant to which the provisions described under "Description of Capital Stock" will become operative.

In the Reclassification, each holder of shares of Parent's Class A common stock, Class L common stock and Class N common stock will receive shares of common stock for one share of Class A common stock, Class L common stock or Class N common stock. The number of shares of common stock to be outstanding after completion of this offering is based on 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, as of June 28, 2007:

shares of common stock issuable upon the exercise of outstanding employee options, at June 28, 2007, at a weighted average exercise price of \$ per share; and

shares of common stock we will reserve for future issuance under our equity incentive plan.

Summary Unaudited Pro Forma Financial and Operating Data

The following summary unaudited pro forma financial and operating data sets forth our unaudited pro forma combined balance sheet as of June 28, 2007 and unaudited pro forma combined statement of operations for the 13 weeks ended June 28, 2007, the 52 weeks ended March 29, 2007 and the 52 weeks ended June 28, 2007. The pro forma financial data has been derived from our unaudited pro forma condensed consolidated financial information and the notes thereto included elsewhere in this prospectus and has been prepared based on Parent's historical consolidated financial statements included elsewhere in this prospectus. The unaudited pro forma combined balance sheet gives pro forma effect to the Offering Transactions as if they had occurred on June 28, 2007. The unaudited pro forma combined statement of operations data gives pro forma effect to the Loews Dispositions, NCM Transactions, the Parent Transactions and the Offering Transactions, as if each had occurred at March 31, 2006. We have included pro forma financial information for 52 weeks ended June 28, 2007 because we believe that this information provides meaningful financial data about our company's current performance. In addition, our senior secured credit facility requires us to measure compliance with certain quarterly financial covenants on a trailing twelve month basis. See "Covenant Compliance." The summary unaudited pro forma financial and operating data is based on certain assumptions and adjustments and does not purport to present what our actual results of operations would have been had the NCM Transactions, the Loews Dispositions, the Parent Transactions or the Offering Transactions and events reflected by them in fact occurred on the dates specified, nor is it necessarily indicative of the results of operations that may be achieved in the future. The summary unaudited pro forma financial data should be read in conjunction with "Unaudited Pro Forma Condensed Consolidated Financial Information," the historical consolidated financial statements, including the notes thereto, Management's Discussion and Analysis of Financial Condition and Results of Operations of AMC Entertainment Holdings, Inc." and other financial data of Parent presented elsewhere in this prospectus.

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Pro Forma

	13 Weeks Ended June 28, 2007	52 Weeks Ended March 29, 2007	52 Weeks Ended June 28, 2007
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(thousands of dollars, except operating and per share data)

Unaudited Pro Forma Statement of Operations Data:

Total revenues	\$ 622,492	\$ 2,423,474	\$ 2,417,509
Cost of operations	400,559	1,558,182	1,556,157
Rent	112,708	442,425	444,839
General and administrative expense:			
Merger and acquisition costs	4,550	12,447	13,245
Other	13,302	56,731	54,046
Pre-opening expense	2,085	6,569	7,612
Theatre and other closure expense (income)	(14,828)	9,011	(7,860)
Depreciation and amortization	63,689	256,472	256,265
Impairment of long-lived assets		10,686	10,686
Disposition of assets and other (gains)		(11,183)	(12,619)
Total costs and expenses	582,065	2,341,340	2,322,371
Other (income)	(3,397)	(10,267)	(12,204)
Interest expense	44,873	178,206	179,254
Equity in (earnings) losses of non-consolidated entities	(2,253)	5,106	696
Investment income	(16,422)	(4,156)	(21,488)
Earnings (loss) from continuing operations before income taxes	17,626	(86,755)	(51,120)
Income tax provision	3,000	6,500	9,200
Earnings (loss) from continuing operations	\$ 14,626	\$ (93,255)	\$ (60,320)
Earnings (loss) per share from continuing operations basic	\$	\$	\$
Earnings (loss) per share from continuing operations diluted	\$	\$	\$
Average shares outstanding:			
Basic			
Diluted			
Other Data:			
Adjusted EBITDA(1)		\$	425,640

Balance Sheet Data (at period end):

Cash and equivalents		\$	122,601
Corporate borrowings			1,864,586
Other long-term liabilities			606,465
Capital and financing lease obligations			74,096
Stockholders' equity			941,111
Total Assets			3,941,182

Operating Data (at period end):

Average screens continuing operations(2)	5,075	5,314	5,089
Number of screens operated	5,300	5,314	5,300
Number of theatres operated	377	379	377
Screens per theatre	14.1	14.0	14.1
Attendance (in thousands) continuing operations(2)	59,970	240,229	236,053

(1)

Adjusted EBITDA in this prospectus corresponds to "Annualized EBITDA" in our senior secured credit facility. "See Covenant Compliance" for reconciliation of Adjusted EBITDA to loss from continuing operations. Adjusted EBITDA is not a presentation made in accordance with U.S. GAAP and our use of the term Adjusted EBITDA varies from others in our industry. This measure should not be considered as an alternative to net earnings (loss), operating income or any other performance measures derived in accordance with U.S. GAAP as measures of operating performance or cash flows as measures of liquidity. Adjusted EBITDA is presented giving pro forma effect to the NCM Transactions, the Loews Dispositions, the Parent Transactions and the Offering Transactions and does not purport to present our actual historical covenant compliance calculations. Adjusted EBITDA has important limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. For example, Adjusted EBITDA:

includes estimated cost savings and operating synergies related to the Loews Acquisition (as defined under "Management's Discussion and Analysis of Financial Condition and Results of Operations of AMC Entertainment Holdings, Inc. Overview Recent History");

does not include one-time transition expenditures that we anticipate we will need to incur to realize cost savings;

does not reflect our capital expenditures, future requirements for capital expenditures or contractual commitments;

does not reflect changes in, or cash requirements for, our working capital needs;

does not reflect the significant interest expenses, or the cash requirements necessary to service interest or principal payments, on our debt;

excludes tax payments that represent a reduction in cash available to us;

does not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future;

does not reflect management fees that may be paid to the Sponsors; and

does not reflect the impact of earnings or charges resulting from matters that we and the lenders under our secured senior credit facility may consider not to be indicative of our ongoing operations. In particular, our definition of Adjusted EBITDA allows us to add back certain non-cash and non-recurring charges that are deducted in calculating net income. However, these are expenses that may recur, vary greatly and are difficult to predict. They can represent the effect of long-term strategies as opposed to short-term results. In addition, certain of these expenses can represent the reduction of cash that could be used for other corporate purposes.

(2)

Includes consolidated theatres only.

Covenant Compliance

Our senior secured credit facility requires us to maintain a net senior secured leverage ratio of no more than 3.25 to 1.0, calculated on a pro forma basis for the trailing four quarters (as determined under our senior secured credit facility) as long as the commitments under our revolving credit facility remain outstanding. Failure to comply with this covenant would result in an event of default under our senior secured credit facility unless waived by our revolving credit lenders, and in any event would likely limit our ability to borrow funds pursuant to our revolving credit facility. An event of default under our senior credit facility can result in the acceleration of our indebtedness under the facility, which in turn would result in an event of default and possible acceleration of indebtedness under our debt securities. In addition, our senior secured credit facility restricts our ability to take certain actions such as incurring additional debt or making certain acquisitions if we are unable to comply with our net senior secured leverage ratio covenant or, in the case of additional debt, maintain an Adjusted EBITDA to consolidated interest expense ratio of at least 2.0 to 1.0 and a senior leverage ratio of no more than 3.25 to 1.0 after giving pro forma effect (as determined under our senior secured credit facility) to the debt incurrence or acquisition, as the case may be. Failure to comply with these covenants would result in limiting our long-term growth prospects by hindering our ability to incur future indebtedness or grow through acquisitions. As our failure to comply with the covenants described above can, at best, limit our ability to incur debt or grow our company and, at worst, cause us to go into default under the agreements governing our indebtedness, management believes that our senior secured credit facility and these covenants are material to us. As of June 28, 2007, we were in compliance with the covenants described above.

Pro forma Adjusted EBITDA is defined in our senior secured credit facility as loss from continuing operations, as adjusted for the items summarized in the table below. Consolidated interest expense is defined in our senior secured credit facility as interest expense excluding, among other things, the amortization of fees and expenses incurred in connection with the Loews Acquisition, as well as the amortization of fees and expenses associated with certain investment and financing transactions and certain payments made in respect of operating leases, as described in the definition of consolidated interest expense, less interest income for the applicable period.

Adjusted EBITDA is not a measurement of our financial performance or liquidity under U.S. GAAP and should not be considered as an alternative to loss from continuing operations, operating income or any other performance measures derived in accordance with U.S. GAAP. Consolidated interest expense as defined in our senior secured credit facility should not be considered an alternative to U.S. GAAP interest expense. Adjusted EBITDA includes estimated annual cost savings initiatives that we expect to achieve in connection with the Loews Acquisition as a result of actions that we have taken following completion of the Loews Acquisition. Adjusted EBITDA also includes estimated annual cost savings initiatives that we expect to achieve in the ordinary course of business as a result of actions we have taken or anticipate taking in the near future. However, Adjusted EBITDA does not take into account the \$29.9 million in one-time transition expenditures that we have incurred to realize these cost savings. The adjustments set forth below reflecting estimated cost savings and operating synergies do not qualify as pro forma adjustments under Regulation S-X promulgated under the Securities Act and

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constitute forward-looking statements within the Private Securities Litigation Reform Act of 1995, as amended. Actual results may differ materially from those reflected due to a number of factors, including without limitation, (i) an inability to consolidate facilities, (ii) an inability to reduce headcount and (iii) an inability to terminate certain contracts.

	Pro Forma (Unaudited)	
	52 Weeks Ended June 28, 2007	
	(thousands of dollars, except ratios)	
Calculation of Adjusted EBITDA:		
Loss from continuing operations	\$	(60,320)
Income tax provision (benefit)		9,200
Investment expense		(21,488)
Equity in (earnings) losses of non-consolidated entities		696
Interest expense		179,254
Other expense (income)		(227)
Disposition of assets and other gains		(12,619)
Depreciation and amortization		256,265
Impairment charge		10,686
Theatre and other closure expense		(7,860)
Pre-opening expense		7,612
Stock-based compensation expense		10,904
Merger and acquisition costs		13,245
Additional credit facility adjustments:		
Gain on sale of investments and insurance recoveries		45,419
Non-cash items, deferred rent and other		(8,565)
Cost savings initiatives(1)		3,438
Adjusted EBITDA(2)	\$	425,640
Net senior secured indebtedness(3)	\$	684,488
Net senior secured leverage ratio(4)		1.61
Senior indebtedness(5)	\$	1,037,437
Senior leverage ratio(6)		2.44
Consolidated interest expense(7)	\$	141,202
Adjusted EBITDA Ratio(8)		3.01

- (1) Represents cost savings related to (i) the substantially completed elimination of duplicative overhead costs, including staffing and other administrative expenses, and closure of duplicative facilities, in connection with the merger of Loews with AMC Entertainment in January 2006, (ii) the incorporation of Loews' operations within AMC Entertainment's national corporate contracts for certain vendors to our theatres, and (iii) the alignment of theatre pay level and staffing practices and implementation of best practices used by each of AMC Entertainment and Loews with respect to staffing.
- (2) See footnote (1) on page 12 for more information on Adjusted EBITDA.
- (3) The senior secured credit facility defines net senior secured indebtedness as consolidated secured indebtedness for borrowed money other than any capital lease obligations, net of cash and cash equivalents. Net senior secured indebtedness reflected in the table consists primarily of borrowings under the senior secured credit facility and also reflects the impact on cash balances from the NCM Transactions and the Offering Transactions.

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- (4) The senior secured credit facility defines the net senior secured leverage ratio as the ratio of net senior secured indebtedness to Adjusted EBITDA for the trailing four fiscal quarters on a pro forma basis (as defined in the senior secured credit facility).
- (5) The senior secured credit facility defines senior indebtedness as consolidated indebtedness for borrowed money that is not expressly subordinate or junior indebtedness.
- (6) The senior secured credit facility defines the senior leverage ratio as the ratio of senior indebtedness to Adjusted EBITDA for the trailing four fiscal quarters on a pro forma basis (as defined in the senior secured credit facility).
- (7) The senior secured credit facility defines consolidated interest expense as interest expense excluding, among other things, the amortization of fees and expenses incurred in connection with the Loews Acquisition as well as the amortization of fees and expenses associated with certain investment and financing transactions and certain payments made in respect of operating leases, as described in the definition of consolidated interest expense, less interest income for the applicable period.
- (8) The senior secured credit facility defines the Adjusted EBITDA Ratio as the ratio of Adjusted EBITDA to consolidated interest expense for the trailing four fiscal quarters on a pro forma basis (as defined in the senior secured credit facility).

Summary Historical Financial and Operating Data

AMC Entertainment Holdings, Inc.

The following tables set forth Parent's historical financial and operating data. The summary historical financial data for the unaudited thirteen week interim periods ended June 28, 2007 and June 29, 2006, for the fiscal years ended March 29, 2007 and March 30, 2006, the period from July 16, 2004 through March 31, 2005 and the period from April 2, 2004 through December 23, 2004 have been derived from Parent's and Holdings' audited and unaudited consolidated financial statements and related notes for such periods included elsewhere in this prospectus. The historical financial data set forth below is qualified in its entirety by reference to Parent's and Holdings' consolidated financial statements and the notes thereto included elsewhere in this prospectus.

Parent, an entity created on June 6, 2007, is the sole stockholder of Holdings. Holdings is a holding company with no operations of its own and has one direct subsidiary, AMC Entertainment. On June 11, 2007, Merger Sub, a wholly-owned subsidiary of Parent, merged with and into Holdings, with Holdings continuing as the surviving corporation. As a result, Holdings became a wholly owned subsidiary of Parent, a newly formed entity controlled by the Sponsors. The Sponsors created Parent to facilitate a debt financing by Parent and a related dividend by Parent to its stockholders. There was no change in the components of stockholders' equity as a result of the Parent Transactions, with the exception of the effect of the dividend paid to Parent's stockholders subsequent to the formation of Parent.

The Parent Transactions constituted a change in reporting entity under Statement of Financial Accounting Standards, or SFAS, No. 154 *Accounting Changes and Error Corrections: a replacement of APB Opinion No. 20 and FASB Statement No. 3*. In accordance with the guidance in SFAS No. 154, the change in accounting entity has been retrospectively applied to the financial statements of all prior periods presented to reflect the new reporting entity for those periods. The consolidated financial statements of Parent include the accounts of Holdings and AMC Entertainment, for the period from July 16, 2004 (date of inception) through June 28, 2007, as Parent, Holdings and AMC Entertainment were entities under common control. The change in accounting entity had no impact on net earnings (loss), other comprehensive earnings (loss) or earnings (loss) per share for the periods presented.

Marquee was formed on July 16, 2004. On December 23, 2004, pursuant to a merger agreement, Marquee merged with and into AMC Entertainment (the "Predecessor") with AMC Entertainment as the surviving entity (the "Successor"). The merger was treated as