

AMC Entertainment Inc. Reports Results for Fourth Quarter and FY 2003

KANSAS CITY, Missouri (May 20, 2003)—AMC Entertainment, one of the world's leading theatrical exhibition companies, today announced results for the fourth quarter and for the fiscal year 2003.

Revenues for the fourth quarter were a record \$446 million, an 8 percent increase from pro-forma (which treats the results from the General Cinema and Gulf States acquisitions as if acquired at the beginning of fiscal 2002) revenues of \$415 million last year. Not considering pro-forma impacts, revenues increased 32 percent from \$339 million last year.

For fiscal 2003, revenues were a record \$1.79 billion, a 7 percent increase over pro-forma revenues of \$1.68 billion last year. Not considering pro-forma impacts, revenues increased 33 percent from \$1.34 billion last year.

Net loss for common shares for the fourth quarter was \$24.2 million (67 cents per diluted share) compared to pro-forma net loss of \$18.2 million (68 cents per diluted share) last year. Last year's net loss for common shares not considering pro-forma impacts was \$18.4 million (76 cents per diluted share).

For fiscal 2003, net loss for common shares was \$47.5 million (\$1.31 per diluted share) compared to pro-forma net loss of \$35.8 million (\$1.37 per diluted share) last year. Last year's net loss not considering pro-forma impacts was \$40.9 million (\$1.73 per common share).

Adjusted EBITDA for the fourth quarter was a record \$52 million, an 8 percent increase from pro-forma Adjusted EBITDA of \$48 million last year. Not considering pro-forma impacts, Adjusted EBITDA increased 34 percent from \$39 million last year.

For fiscal 2003, Adjusted EBITDA was a fiscal year record \$230 million, a 12 percent increase over pro-forma Adjusted EBITDA of \$205 million last year. Not considering pro-forma impacts, Adjusted EBITDA increased 43 percent from \$161 million last year.

“Our asset quality and continued execution of our strategic plan, including the

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successful integration of two acquisitions, contributed to record results in fiscal 2003,” said Peter Brown, chairman and chief executive officer. “With our growing free cash flow and AMC’s brand strength we are well positioned to continue our 80-plus year tradition of industry innovation and leadership as we move into a new fiscal year.”

Highlights of fiscal 2003 included:

- Record revenues and adjusted EBITDA
- Continued improvement in the quality of the AMC Theatres portfolio with the closing of 111 screens and the successful opening of 93 new megaplex screens
- Successful integration of the General Cinema and Gulf States acquisitions
- Growth in free cash flow
- Substantial liquidity and improvement in credit profile.

This press release contains non-GAAP financial measures as defined by Regulation G of the Securities and Exchange Commission. As required, the attached financial summary contains a discussion of management’s use of these measures and reconciliations to the most directly comparable GAAP measures. In addition, reconciliations of GAAP and non-GAAP financial measures are available on the Company’s web site, www.amctheatres.com. These non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, the financial measures prepared in accordance with GAAP. The financial measures as determined by management may not be comparable to the same financial measures as reported by other companies. As used herein, GAAP refers to generally accepted accounting principles in the United States of America.

Investors will have the opportunity to listen to the earnings conference call and view the supporting slide presentation at 9 a.m. CDT on Tuesday, May 20, 2003, through the website www.amctheatres.com. Listeners can also access the call by dialing (877) 307-8182, or (706) 634-8221 for international callers. A replay of the call will be available on the website and by phone through Tuesday, June 3, 2003. The telephone replay can be accessed by calling (800) 642-1687, or (706) 645-9291 for international callers, and entering the conference ID number 9828682.

AMC Entertainment Inc. is a leader in the theatrical exhibition industry. Through its circuit of AMC Theatres, the Company operates 239 theatres with 3,524 screens in the United States, Canada, France, Hong Kong, Japan, Portugal, Spain, Sweden and the United Kingdom. Its Common Stock trades on the American Stock Exchange under the symbol AEN. The Company, headquartered in Kansas City, Mo., has a website at www.amctheatres.com.

Any forward-looking statements contained in this release, which reflect management's best judgment based on factors currently known, involve risks and uncertainties. Actual results could differ materially from those anticipated in the forward-looking statements included herein as a result of a number of factors, including among others the Company's ability to enter into various financing programs, the performance of films licensed by the Company, competition, construction delays, the ability to open or close theatres and screens as currently planned, domestic and international political, social and economic conditions, demographic changes, increases in demand for real estate, changes in real estate, zoning and tax laws, unforeseen changes in operating requirements, the Company's ability to identify suitable acquisition candidates and to successfully integrate acquisitions into its operations and results of significant litigation.

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(FINANCIAL SUMMARY FOLLOWS)

AMC ENTERTAINMENT INC.
FINANCIAL SUMMARY
(In thousands, except per share data)

	Fourteen/Thirteen Weeks Ended			Fifty-three/Fifty-two Weeks Ended		
	Pro Forma⁽⁶⁾			Pro Forma⁽⁶⁾		
	April 3, 2003	March 28, 2002	March 28, 2002	April 3 2003	March 28, 2002	March 28, 2002
Statement of Operations Data:						
Admissions	\$308,265	\$282,060	\$231,077	\$1,217,083	\$1,125,999	\$ 901,566
Concessions	113,666	112,689	90,581	469,966	455,465	359,042
Other theatre	12,086	10,831	7,723	48,828	52,518	40,156
NCN and other	<u>12,409</u>	<u>9,297</u>	<u>9,297</u>	<u>55,693</u>	<u>41,768</u>	<u>41,768</u>
Total revenues	446,426	414,877	338,678	1,791,570	1,675,750	1,342,532
Film exhibition costs	160,900	146,060	120,471	663,416	608,175	487,577
Concession costs	13,774	15,209	11,807	58,520	61,823	45,756
Theatre operating expense	112,787	109,172	84,106	438,161	428,221	328,691
Rent	78,971	72,846	60,470	302,445	288,123	236,829
NCN and other	14,075	10,962	10,962	52,444	45,264	45,264
General and administrative	14,745	12,925	12,439	68,254	39,397	37,798
Preopening expense	349	357	357	3,227	4,345	4,345
Theatre and other closure expense	120	300	300	5,416	2,124	2,124
Reorganization items	-	1,457	-	-	6,026	-
Depreciation and amortization	33,767	31,642	25,872	127,020	122,822	99,742
Impairment of long-lived assets	19,563	4,668	4,668	19,563	4,668	4,668
(Gain) loss on disposition of assets	<u>(353)</u>	<u>5</u>	<u>5</u>	<u>(1,385)</u>	<u>(1,821)</u>	<u>(1,821)</u>
Total costs and expenses	448,698	405,603	331,457	1,737,081	1,609,167	1,290,973
Other expense	-	-	-	-	3,754	3,754
Interest expense	20,892	18,791	17,060	77,800	67,684	60,760
Investment income	<u>(987)</u>	<u>(1,244)</u>	<u>(1,244)</u>	<u>(3,509)</u>	<u>(2,087)</u>	<u>(2,087)</u>
Total other expense	<u>19,905</u>	<u>17,547</u>	<u>15,816</u>	<u>74,291</u>	<u>69,351</u>	<u>62,427</u>
Loss before income taxes	(22,177)	(8,273)	(8,595)	(19,802)	(2,768)	(10,868)
Income tax provision	<u>(4,200)</u>	<u>1,100</u>	<u>1,000</u>	<u>500</u>	<u>3,600</u>	<u>600</u>
Net loss	<u>\$ (17,977)</u>	<u>\$ (9,373)</u>	<u>\$ (9,595)</u>	<u>\$ (20,302)</u>	<u>\$ (6,368)</u>	<u>\$ (11,468)</u>
Preferred dividends	<u>6,268</u>	<u>8,834</u>	<u>8,834</u>	<u>27,165</u>	<u>29,421</u>	<u>29,421</u>
Net loss for common shares	<u>\$ (24,245)</u>	<u>\$ (18,207)</u>	<u>\$ (18,429)</u>	<u>\$ (47,467)</u>	<u>\$ (35,789)</u>	<u>\$ (40,889)</u>
Net loss per share:						
Basic	<u>\$ (0.67)</u>	<u>\$ (0.68)</u>	<u>\$ (0.76)</u>	<u>\$ (1.31)</u>	<u>\$ (1.37)</u>	<u>\$ (1.73)</u>
Diluted	<u>\$ (0.67)</u>	<u>\$ (0.68)</u>	<u>\$ (0.76)</u>	<u>\$ (1.31)</u>	<u>\$ (1.37)</u>	<u>\$ (1.73)</u>
Average shares outstanding:						
Basic	<u>36,302</u>	<u>26,784</u>	<u>24,369</u>	<u>36,296</u>	<u>26,107</u>	<u>23,692</u>
Diluted	<u>36,302</u>	<u>26,784</u>	<u>24,369</u>	<u>36,296</u>	<u>26,107</u>	<u>23,692</u>

	Fourteen/Thirteen Weeks Ended			Fifty-three/Fifty-two Weeks Ended		
	Pro Forma ⁽⁶⁾			Pro Forma ⁽⁶⁾		
	April 3, <u>2003</u>	March 28, <u>2002</u>	March 28, <u>2002</u>	April 3, <u>2003</u>	March 28, <u>2002</u>	March 28, <u>2002</u>
Other Financial Data:						
Net cash provided by operating activities	\$ 14,874	\$ -	\$ 28,787	\$128,747	\$ -	\$101,091
Net cash used in investing activities	(31,264)	-	(74,250)	(137,201)	-	(144,510)
Net cash provided by financing activities	20,591	-	216,274	33,437		228,879
Adjusted EBITDA ⁽¹⁾	51,669	47,818	38,538	229,591	205,189	161,059
After tax cash flow ⁽¹⁾	28,374	-	19,146	131,356	-	91,470
Net capital expenditures ⁽²⁾	16,411	-	30,074	52,982	-	77,274
Free cash flow ⁽³⁾	11,963	-	(10,928)	78,374	-	14,196
Other Data:						
Screen additions		16	16	95	158	146
Screen acquisitions		-	68	641	-	68
Screen dispositions	40	24	24	111	86	86
Average screens	3,512	3,518	2,839	3,516	3,484	2,804
Attendance (in thousands)	48,160	48,994	40,459	198,117	196,301	158,884
Number of screens operated (period end)				3,524	3,540	2,899
Number of theatres operated (period end)				239	250	181
Screens per theatre circuit wide				14.7	14.2	16.0
				April 3, <u>2003</u>		March 28, <u>2002</u>
Balance Sheet Data:						
Cash and equivalents				\$ 244,412		\$ 219,432
Corporate borrowings				668,661		596,540
Capital and financing lease obligations				59,101		57,056
Net debt ⁽⁴⁾				483,350		434,164
Stockholders' equity				291,904		258,356
Total shares ⁽⁵⁾				76,481		71,501

The following tables provide reconciliations of certain of our non-GAAP financial measures to their most directly comparable GAAP measures.

	Fourteen/Thirteen Weeks Ended			Fifty-three/Fifty-two Weeks Ended		
	Pro Forma ⁽⁶⁾			Pro Forma ⁽⁶⁾		
	April 3, <u>2003</u>	March 28, <u>2002</u>	March 28, <u>2002</u>	April 3, <u>2003</u>	March 28, <u>2002</u>	March 28, <u>2002</u>
Adjusted EBITDA Reconciliation						
(In thousands)						
Net loss	\$ (17,977)	\$ (9,373)	\$ (9,595)	\$ (20,302)	\$ (6,368)	\$ (11,468)
Interest expense	20,892	18,791	17,060	77,800	67,684	60,760
Income tax provision	(4,200)	1,100	1,000	500	3,600	600
Depreciation and amortization	33,767	31,642	25,872	127,020	122,822	99,742
Impairment of long-lived assets	19,563	4,668	4,668	19,563	4,668	4,668
Investment income	(987)	(1,244)	(1,244)	(3,509)	(2,087)	(2,087)
Stock-based and special compensation	495	115	115	21,261	442	442
Theatre and other closure expense	120	300	300	5,416	2,124	2,124
(Gain) loss on disposition of assets	(353)	5	5	(1,385)	(1,821)	(1,821)
Preopening expense	349	357	357	3,227	4,345	4,345
Reorganization items	-	1,457	-	-	6,026	-
Other expense	-	-	-	-	3,754	3,754
Adjusted EBITDA	<u>\$ 51,669</u>	<u>\$ 47,818</u>	<u>\$ 38,538</u>	<u>\$ 229,591</u>	<u>\$ 205,189</u>	<u>\$ 161,059</u>

	Fourteen/Thirteen Weeks Ended		Fifty-three/Fifty-two Weeks Ended	
	April 3, <u>2003</u>	March 28, <u>2002</u>	April 3, <u>2003</u>	March 28, <u>2002</u>
After Tax Cash Flow and				
Free Cash Flow Reconciliations				
(In thousands)				
Net cash provided by operating activities	\$14,874	\$ 28,787	\$128,747	\$ 101,091
Gain (loss) on disposition of assets	353	(5)	1,385	1,821
Changes in working capital items and other	509	1,704	(8,514)	(502)
Deferred taxes excluding benefit for impairment of long-lived assets	<u>12,638</u>	<u>(11,340)</u>	<u>9,738</u>	<u>(10,940)</u>
After tax cash flow	<u>\$ 28,374</u>	<u>\$ 19,146</u>	<u>\$131,356</u>	<u>\$ 91,470</u>
Less Net capital expenditures	<u>16,411</u>	<u>30,074</u>	<u>52,982</u>	<u>77,274</u>
Free cash flow	<u>\$ 11,963</u>	<u>\$ (10,928)</u>	<u>\$ 78,374</u>	<u>\$ 14,196</u>

	Fourteen/Thirteen Weeks Ended		Fifty-three/Fifty-two Weeks Ended	
	April 3, <u>2003</u>	March 28, <u>2002</u>	April 3, <u>2003</u>	March 28, <u>2002</u>
Net Capital Expenditures Reconciliation				
(In thousands)				
Net cash used in investing activities	\$ (31,264)	\$ (74,250)	\$ (137,201)	\$(144,510)
Acquisition of GC Companies, Inc., net of cash acquired and proceeds from sale of venture capital investments	(95)	-	47,314	-
Acquisition of Gulf States Theatres	14	45,020	752	45,020
Purchase of leased furniture, fixtures and equipment	-	-	7,052	23,739
Proceeds from disposition of long-term assets	(617)	(2,717)	(5,494)	(6,647)
Other, net	3,794	1,873	4,983	4,243
Construction projects costs reimbursed by landlord for financing activities	<u>11,757</u>	<u>-</u>	<u>29,612</u>	<u>881</u>
Net capital expenditures	<u>\$ (16,411)</u>	<u>\$ (30,074)</u>	<u>\$ (52,982)</u>	<u>\$ (77,274)</u>

