

REGAL ENTERTAINMENT GROUP
Form 10-Q
August 07, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 28, 2007

Commission file number 001-31315

Regal Entertainment Group

(Exact name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

02-0556934

(Internal Revenue Service
Employer Identification Number)

**7132 Regal Lane
Knoxville, TN**

(Address of Principal Executive Offices)

37918

(Zip Code)

Registrant's Telephone Number, Including Area Code: **(865) 922-1123**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and larger accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

Class A Common Stock 129,462,357 shares outstanding at August 3, 2007

Class B Common Stock 23,708,639 shares outstanding at August 3, 2007

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PART I FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

REGAL ENTERTAINMENT GROUP

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions, except share data)

	June 28, 2007	December 28, 2006
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 406.9	\$ 162.2
Trade and other receivables, net	22.8	59.8
Inventories	9.9	8.0
Prepaid expenses and other current assets	10.6	1.8
Assets held for sale	6.7	8.6
Deferred income tax asset	0.8	0.6
TOTAL CURRENT ASSETS	457.7	241.0
PROPERTY AND EQUIPMENT:		
Land	132.0	133.2
Buildings and leasehold improvements	1,691.0	1,667.3
Equipment	866.9	852.6
Construction in progress	30.1	31.7
Total property and equipment	2,720.0	2,684.8
Accumulated depreciation and amortization	(843.8)	(763.0)
TOTAL PROPERTY AND EQUIPMENT, NET	1,876.2	1,921.8
GOODWILL	186.0	214.9
DEFERRED INCOME TAX ASSET	88.7	21.4
OTHER NON-CURRENT ASSETS	68.8	69.7
TOTAL ASSETS	\$ 2,677.4	\$ 2,468.8
LIABILITIES AND STOCKHOLDERS DEFICIT		
CURRENT LIABILITIES:		
Current portion of debt obligations	\$ 146.2	\$ 146.2
Accounts payable	135.5	168.1
Accrued expenses	57.5	61.1
Income taxes payable	66.2	52.3
Deferred revenue	112.1	99.4
Interest payable	28.8	29.2
TOTAL CURRENT LIABILITIES	546.3	556.3
LONG-TERM DEBT	1,726.7	1,735.3
LEASE FINANCING ARRANGEMENTS	83.9	85.8
CAPITAL LEASE OBLIGATIONS	19.5	20.6
NON-CURRENT DEFERRED REVENUE	281.7	
OTHER NON-CURRENT LIABILITIES	115.2	91.1
TOTAL LIABILITIES	2,773.3	2,489.1
MINORITY INTEREST	1.9	1.9
STOCKHOLDERS DEFICIT:		
Class A common stock, \$0.001 par value; 500,000,000 shares authorized, 129,429,191 and 126,448,479 shares issued and outstanding at June 28, 2007 and December 28, 2006, respectively	0.1	0.1
Class B common stock, \$0.001 par value; 200,000,000 shares authorized, 23,708,639 and 23,908,639 shares issued and outstanding at June 28, 2007 and December 28, 2006, respectively		
Preferred stock, \$0.001 par value; 50,000,000 shares authorized; none issued and outstanding		
Additional paid in capital (deficit)	(164.0)	(66.1)
Retained earnings	53.3	30.2
Accumulated other comprehensive income, net	12.8	13.6

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TOTAL STOCKHOLDERS DEFICIT	(97.8) (22.2)
TOTAL LIABILITIES AND STOCKHOLDERS DEFICIT	\$ 2,677.4	\$ 2,468.8	

See accompanying notes to unaudited condensed consolidated financial statements.

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REGAL ENTERTAINMENT GROUP

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except share and per share data)

	Quarter Ended June 28, 2007	Quarter Ended June 29, 2006	Two Quarters Ended June 28, 2007	Two Quarters Ended June 29, 2006
REVENUES:				
Admissions	\$ 457.9	\$ 452.5	\$ 884.6	\$ 844.5
Concessions	197.4	185.2	365.7	343.8
Other operating revenue	28.1	46.9	58.1	81.4
TOTAL REVENUE	683.4	684.6	1,308.4	1,269.7
OPERATING EXPENSES:				