

REGAL ENTERTAINMENT GROUP

Form 10-K/A

March 22, 2017

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

Amendment No. 1

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

For the fiscal year ended December 31, 2016

Commission file number: 001-31315

Regal Entertainment Group

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

02-0556934
(I. R. S. Employer
Identification Number)

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7132 Regal Lane
Knoxville, TN
(Address of Principal Executive Offices)

37918
(Zip Code)

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

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

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

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K:

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

Large accelerated filer

Accelerated filer

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Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 30, 2016, computed by reference to the price at which the registrant's Class A common stock was last sold on the New York Stock Exchange on such date was \$1,774,940,796.16 (80,532,704 shares at a closing price per share of \$22.04).

Shares of Class A common stock outstanding 133,337,241 shares at March 15, 2017

Shares of Class B common stock outstanding 23,708,639 shares at March 15, 2017

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EXPLANATORY NOTE

The Company is filing this Amendment No. 1 to its Annual Report on Form 10-K (the "Form 10-K/A") to include separate audited financial statements of National CineMedia, LLC ("National CineMedia"), pursuant to Rule 3-09 of Regulation S-X ("Rule 3-09"). The audited National CineMedia financial statements (the "National CineMedia Financial Statements") were not available at the time of filing of the Company's Annual Report on Form 10-K (the "Form 10-K"). In accordance with Rule 3-09(b)(1), the National CineMedia Financial Statements are being filed as an amendment to the Form 10-K within 90 days after the end of the Company's fiscal year.

This Form 10-K/A amends the Form 10-K solely by the addition of the National CineMedia Financial Statements to Part IV, Item 15. No attempt has been made in this Form 10-K/A to update other disclosures presented in the Form 10-K and this Form 10-K/A does not reflect events occurring after the filing of the Form 10-K or modify or update those disclosures, including the exhibits to the Form 10-K affected by subsequent events. The following sections of the Form 10-K have been amended by this Form 10-K/A:

- Part IV Item 15 Exhibits, Financial Statement Schedules

This Form 10-K/A has been signed as of a current date and all certifications of the Company's Chief Executive Officer and Chief Financial Officer are given as of a current date. Accordingly, this Form 10-K/A should be read in conjunction with our filings made with the SEC subsequent to the filing of the Form 10-K for the year ended December 31, 2016, including any amendments to those filings.

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REGAL ENTERTAINMENT GROUP

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)

The following documents are filed as a part of Amendment No. 1 to this report on Form 10-K:

(2) Financial Statement Schedules:

INDEX TO FINANCIAL STATEMENTS

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National CineMedia, LLC	
<u>Report of Independent Registered Public Accounting Firm</u>	5
<u>Balance Sheets as of December 29, 2016 and December 31, 2015</u>	6
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<u>Statements of Comprehensive Income for the years ended December 29, 2016, December 31, 2015 and January 1, 2015</u>	8
<u>Statements of Members' Equity/(Deficit) for the years ended December 29, 2016, December 31, 2015 and January 1, 2015</u>	9
<u>Statements of Cash Flows for the years ended December 29, 2016, December 31, 2015 and January 1, 2015</u>	10
<u>Notes to Financial Statements</u>	12

(3) Exhibits: The following exhibits are filed as part of Amendment No. 1 to this annual report on Form 10-K.

Description

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**Exhibit
Number**

- 23.1 Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm
- 31.1 Rule 13a-14(a) Certification of Chief Executive Officer of Regal
- 31.2 Rule 13a-14(a) Certification of Chief Financial Officer of Regal
- 32 Section 1350 Certifications

The financial statements of National CineMedia, LLC are filed under Item 15(c) below:

- (b) The exhibits required to be filed herewith are listed above.
- (c) Financial Statement Schedules: Financial Statements of National CineMedia, LLC.

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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 (the Company) as of December 29, 2016 and December 31, 2015, and the related statements of income, comprehensive income, members' equity/ (deficit), and cash flows for the years ended December 29, 2016, December 31, 2015 and January 1, 2015. 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 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 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, 2016 and December 31, 2015, and the results of its operations and its cash flows for the years ended December 29, 2016, December 31, 2015 and January 1, 2015, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Denver, Colorado

February 27, 2017

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NATIONAL CINEMEDIA, LLC

BALANCE SHEETS

(In millions)

	December 29, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 10.7	\$ 3.0
Receivables, net of allowance of \$6.3 and \$5.6, respectively	160.5	148.9
Prepaid expenses	3.0	2.7
Prepaid administrative fees to managing member	0.8	0.7
Current portion of notes receivable- founding members	5.6	4.2
Other current assets	0.3	
Total current assets	180.9	159.5
NON-CURRENT ASSETS:		
Property and equipment, net of accumulated depreciation of \$64.1 and \$64.1, respectively	29.6	25.1
Intangible assets, net of accumulated amortization of \$118.9 and \$91.9, respectively	560.5	566.7
Long-term notes receivable, net of current portion - founding members	8.3	12.5
Other investments	6.6	5.4
Debt issuance costs, net	1.9	2.3
Other assets	0.7	0.5
Total non-current assets	607.6	612.5
TOTAL ASSETS	\$ 788.5	\$ 772.0
LIABILITIES AND MEMBERS EQUITY/(DEFICIT)		
CURRENT LIABILITIES:		
Amounts due to founding members	42.7	35.5
Amounts due to managing member	25.8	22.9
Accrued expenses	19.0	18.9
Accrued payroll and related expenses	9.9	14.4
Accounts payable	13.4	11.2
Deferred revenue	10.3	10.2
Total current liabilities	121.1	113.1
NON-CURRENT LIABILITIES:		
Long-term debt, net of debt issuance costs of \$10.7 and \$10.6, respectively	924.3	925.4
Total non-current liabilities	924.3	925.4
Total liabilities	1,045.4	1,038.5
COMMITMENTS AND CONTINGENCIES (NOTE 10)		
MEMBERS EQUITY/(DEFICIT)	(256.9)	(266.5)
TOTAL LIABILITIES AND EQUITY/(DEFICIT)	\$ 788.5	\$ 772.0

Refer to accompanying notes to financial statements.

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NATIONAL CINEMEDIA, LLC

STATEMENTS OF INCOME

(In millions)

	December 29, 2016	Years Ended December 31, 2015	January 1, 2015
Revenue (including revenue from founding members of \$29.1, \$30.2 and \$38.7, respectively)	\$ 447.6	\$ 446.5	\$ 394.0
OPERATING EXPENSES:			
Advertising operating costs	30.0	30.8	26.4
Network costs	17.1	17.8	18.3
Theater access fees founding members	75.1	72.5	70.6
Selling and marketing costs	72.8	72.3	57.6
Merger termination fee and related merger costs			