



**AMC Entertainment Closes \$600 Million Strategic Investment From Silver Lake
Announces Wanda Share Repurchase and Special Dividend**

September 14, 2018

Disclaimer

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Transaction Overview

Establishing a Long-Term Partnership with Silver Lake while Returning Capital to Shareholders

\$600M
Strategic
Investment by
Silver Lake

\$160M
Special
Dividend to All
Shareholders

~24M
Wanda Shares
Repurchased

- ✓ Silver Lake has made a \$600M **strategic investment in AMC Entertainment** through senior unsecured convertible notes
- ✓ AMC Entertainment has **repurchased 24,057,143 Wanda shares** at \$17.50 per share (“Reference Price”)
 - Reference Price represents a 12.9% discount to the AMC closing share price as of September 13, 2018
 - The pre-dividend conversion price of the Convertible Notes reflects a 17.1% premium to the Reference Price
 - Fully 31.7% of Wanda’s shares returned to AMC treasury in an orderly fashion
- ✓ Transaction enables AMC to **return capital to shareholders** through a special dividend
 - AMC will pay a ~\$160M special dividend of \$1.55 per share to all shareholders of record on September 25, 2018, which is not payable on the repurchased Wanda shares
- ✓ Transaction is expected to be **cash flow accretive to AMC** in 2019 and beyond
 - Dividend reduction from acquiring Wanda shares more than offsets incremental interest expense on Convertible Notes

Strategic Rationale

- ✓ The transaction further **strengthens and diversifies AMC's shareholder base** and enabled Wanda to sell shares in an orderly manner
 - **No change of control**, Wanda remains a committed long-term shareholder
 - Upon equity conversion, Silver Lake would own approximately **23% of AMC**
 - Silver Lake Right of First Refusal is a potential future liquidity source should the need arise

- ✓ The beginning of a **long-term partnership** between AMC and Silver Lake, a leading and highly experienced technology investor
 - Silver Lake **fully supportive** of AMC's market leader position and current growth strategies
 - The **technology expertise of AMC's Board will be enhanced** by a director appointed by Silver Lake as well as a technology-focused independent director which Silver Lake would help to source
 - AMC will leverage Silver Lake's **deep expertise and industry knowledge** in technology and disruption to further innovate and drive customer engagement
 - Areas of strategic focus to potentially include mobile application and web-platform, ticket pricing initiatives, further monetization of AMC Stubs and AMC Stubs A-List, and other initiatives to **create long-term shareholder value**

- ✓ Investment **wholly funds both** the Wanda share repurchase at a substantial discount and the special dividend
 - Funds recently raised through monetization of non-strategic assets **are intact for reinvestment in strategic initiatives and deleveraging** as originally planned
 - Convertible notes will be classified as debt with a temporary increase in leverage, but **without net carrying cost** given the dividend offset of the repurchased Wanda shares

Overview of Silver Lake

The Global Leader in Technology Investing

- ✓ Over \$40 billion in combined assets under management and committed capital
- ✓ Global team of approximately 100 professionals
- ✓ 20 years of experience investing in technology leaders
- ✓ Proven track record of partnering with premier management teams to drive long-term value and high returns



Note: Logos represent select investments made by Silver Lake funds. Includes current and former portfolio companies. Please refer to the Silver Lake website (www.silverlake.com) for a complete list of Silver Lake portfolio companies.



Transaction Terms

Silver Lake Investment

Security

- \$600M senior unsecured convertible notes
- 6-year maturity

Initial Conversion Price

- \$20.50 per share, pre-dividend
- The conversion price of the notes will be reduced by an amount equal to the special dividend to \$18.95 per share
- Other possible adjustments to be described in a Form 8-K filing

Coupon

- 2.95% interest per annum, paid semi-annually
- Less than the dividend savings on the repurchased Wanda shares