

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 24, 2016

**AMC ENTERTAINMENT HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

<b>Delaware</b> (State or other jurisdiction of incorporation)	<b>001-33892</b> (Commission File Number)	<b>26-0303916</b> (IRS Employer Identification No.)
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**One AMC Way**  
**11500 Ash Street, Leawood, KS 66211**  
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: **(913) 213-2000**

**Not Applicable**  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Item 8.01 Other Events

### Historical Financial Information of Odeon and UCI Cinemas Holdings Limited

This Current Report on Form 8-K is being filed to include certain financial information relating to the pending acquisition (the "Odeon Acquisition") by AMC Entertainment Holdings, Inc. (the "Company") of Odeon and UCI Cinemas Holdings Limited ("Odeon"). This information is being provided in connection with the Company's proposed financing in connection with the Odeon Acquisition and its pending acquisition of Carmike Cinemas, Inc. ("Carmike"). This Current Report includes (i) the audited consolidated financial statements of Odeon as of and for the year ended December 31, 2015 and (ii) the unaudited condensed consolidated financial statements of Odeon as of and for the six months ended June 30, 2016 and 2015, attached hereto as Exhibits 99.1 and 99.2, respectively.

The audited and unaudited consolidated financial statements of Odeon included in Exhibits 99.1 and 99.2 hereto have been prepared in accordance with UK Accounting Standards, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice) ("U.K. GAAP"), which differs in certain respects from U.S. generally accepted accounting principles ("U.S. GAAP").

### Pro Forma Financial Information

In addition to the financial statements listed above, this Current Report includes (i) an unaudited pro forma balance sheet of the Company as of June 30, 2016 and (ii) unaudited statements of operations of the Company for the year ended December 31, 2015, the six months ended June 30, 2016 and the six months ended June 30, 2015 and the related notes thereto, attached hereto as Exhibit 99.3. The unaudited pro forma balance sheet and statements of operations give effect to the Odeon Acquisition, (ii) the related debt financing (the "Debt Financing") and (ii) the issuance of shares of the Company's Class A Common Stock in a private placement to the sellers of Odeon (the "Equity Financing" and together with the Debt Financing, the "Financings"). The unaudited pro forma condensed combined statements of operations combine the historical consolidated statements of operations of the Company and Odeon, giving effect to the Odeon Acquisition and Financings as if they had been completed on January 1, 2015. The unaudited pro forma condensed combined balance sheet as of June 30, 2016, combines the historical consolidated balance sheets of Odeon and the Company, giving effect to the Odeon Acquisition and Financings as if they had occurred on June 30, 2016. The historical consolidated financial information for Odeon has been adjusted to comply with U.S. GAAP. The classification of certain items presented by Odeon under U.K. GAAP has been modified in order to align with the presentation used by the Company under U.S. GAAP. In addition to the U.S. GAAP adjustments and the reclassifications, amounts have also been translated to U.S. Dollars.

### **Important Additional Information Regarding the Merger**

This communication may be deemed to be solicitation material in respect of the proposed merger of Carmike with and into a wholly-owned subsidiary of the Company. In connection with the proposed merger, a Registration Statement on Form S-4 (the "Registration Statement") has been filed with the Securities and Exchange Commission ("SEC") containing a prospectus with respect to the Company's Class A common stock to be issued in the proposed merger and a proxy statement of Carmike in connection with the proposed merger (the "Proxy Statement/Prospectus"). The proxy statement of Carmike contained in the Proxy Statement/Prospectus replaces the definitive proxy statement which Carmike previously filed with the SEC on May 23, 2016 and mailed to its stockholders on or about May 25, 2016. Each of the Company and Carmike intends to file other documents with the SEC regarding the proposed merger. The definitive Proxy Statement/Prospectus was mailed to stockholders of Carmike on or about October 13, 2016 and contains important information about the proposed merger and related matters.

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BEFORE MAKING ANY INVESTMENT OR VOTING DECISION, CARMIKE'S STOCKHOLDERS ARE URGED TO READ CAREFULLY THE DEFINITIVE PROXY STATEMENT/PROSPECTUS IN ITS ENTIRETY (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY OR CARMIKE HAS FILED OR MAY FILE WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER, OR WHICH ARE INCORPORATED BY REFERENCE IN THE DEFINITIVE PROXY STATEMENT/PROSPECTUS, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER.

Carmike's stockholders may obtain, free of charge, copies of the definitive Proxy Statement/Prospectus and Registration Statement and other relevant documents filed by the Company and Carmike with the SEC, at the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, Carmike's stockholders may obtain free copies of the Proxy Statement/Prospectus and other relevant documents filed by Carmike with the SEC from Carmike's website at <http://www.carmikeinvestors.com/>.

This communication does not constitute an offer to buy or exchange, or the solicitation of an offer to sell or exchange, any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, sale or exchange would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This communication is not a substitute for any prospectus, proxy statement or any other document that the Company or Carmike may file with the SEC in connection with the proposed merger.

#### **Participants in the Solicitation**

This communication does not constitute a solicitation of a proxy from any stockholder with respect to the proposed merger. However, each of the Company, Carmike and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Carmike's stockholders with respect to the proposed merger. More detailed information regarding the identity of these potential participants, and any direct or indirect interests they may have in the proposed merger, by security holdings or otherwise, is set forth in the Proxy Statement/Prospectus. Additional information concerning the Company's directors and executive officers is set forth in the definitive proxy statement filed by the Company with the SEC on March 15, 2016 and in the Annual Report on Form 10-K filed by the Company with the SEC on March 8, 2016. These documents are available to Carmike stockholders free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov) and from the investor relations section of the Company's website at [amctheatres.com](http://amctheatres.com). Additional information concerning Carmike's directors and executive officers and their ownership of Carmike common stock is set forth in the proxy statement for Carmike's most recent annual meeting of stockholders, which was filed with the SEC on April 15, 2016 and in the Annual Report on Form 10-K filed by Carmike with the SEC on February 29, 2016. These documents are available to Carmike stockholders free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov) and from Carmike's website at <http://www.carmikeinvestors.com>.

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**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
23.1	Consent of KPMG LLP.
99.1	Audited consolidated financial statements of Odeon and UCI Cinemas Holdings Limited as of and for the year ended December 31, 2015.
99.2	Unaudited condensed consolidated financial statements of Odeon and UCI Cinemas Holdings Limited as of and for the six months ended June 30, 2016 and 2015.
99.3	Unaudited pro forma condensed combined financial information as of and for the six months ended June 30, 2016 and 2015 and for the year ended December 31, 2015.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**AMC ENTERTAINMENT HOLDINGS, INC.**

Date: October 24, 2016

By: /s/ CRAIG R. RAMSEY

Name: Craig R. Ramsey

Title: *Executive Vice President and Chief Financial Officer*

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**EXHIBIT INDEX**

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**Consent of Independent Auditors**

The Board of Directors  
Odeon and UCI Cinemas Holdings Limited:

We consent to the incorporation by reference in the registration statement (No. 333- 192912) on Form S-8 and registration statement (No. 333-213802) on Form S-4 of AMC Entertainment Holdings, Inc. of our report dated October 20, 2016, with respect to the consolidated balance sheet of Odeon and UCI Cinemas Holdings Limited as of December 31, 2015, the related consolidated profit and loss account, and consolidated statements of other comprehensive income, changes in equity, and cash flows for the year then ended, which report appears in the Form 8-K of AMC Entertainment Holdings, Inc. dated October 24, 2016. As more fully disclosed in Note 1 to the December 31, 2015 consolidated financial statements, the audit report is qualified due to the omission of comparative financial information. Furthermore, the audit report contains an explanatory paragraph relating to qualitative differences between UK Accounting Standards, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and U.S. generally accepted accounting principles as presented in Note 30 to the consolidated financial statements.

/s/ KPMG LLP  
Manchester, United Kingdom  
October 24, 2016

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QuickLinks

[Exhibit 23.1](#)

[Consent of Independent Auditors](#)

KPMG LLP  
1 St Peter's Square  
Manchester  
M2 3AE  
United Kingdom

### **Independent Auditors' Report**

The Board of Directors, Odeon and UCI Cinemas Holdings Limited

We have audited the accompanying consolidated financial statements of Odeon and UCI Cinemas Holdings Limited and its subsidiaries ("the Company"), which comprise the consolidated balance sheet as of 31 December 2015, and the related consolidated profit and loss account, and consolidated statements of other comprehensive income, changes in equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements which, as described in Note 1 to the consolidated financial statements, have been prepared in accordance with UK Accounting Standards, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice).

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with UK Generally Accepted Accounting Practice; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

As more fully disclosed in Note 1 to the consolidated financial statements, UK Generally Accepted Accounting Practice requires that consolidated financial statements be presented with comparative financial information. The accompanying consolidated financial statements have been prepared solely for the purpose of meeting the requirements of Rule 3-05 of Regulation S-X of the US Securities and

Exchange Commission ("Rule 3.05"). Rule 3.05 only requires the accompanying consolidated financial statements to be prepared as of and for the year ended 31 December 2015; accordingly no comparative financial information is presented.

**Qualified Opinion**

In our opinion, except for the omission of comparative financial information described in the Basis for Qualified Opinion paragraph above, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Odeon and UCI Cinemas Holdings Limited and its subsidiaries as of 31 December 2015 and the results of their operations and their cash flows for the year then ended in accordance with UK Generally Accepted Accounting Practice.

**Emphasis of Matter**

The Company prepared its consolidated financial statements in accordance with UK Generally Accepted Accounting Practice, which differs in certain respects from U.S. generally accepted accounting principles. Information relating to the qualitative nature of such differences is presented in note 30 to the consolidated financial statements. Our opinion is not modified with respect to this matter.

KPMG LLP  
Manchester, United Kingdom  
20 October 2016

Odeon and UCI Cinemas Holdings Limited

Consolidated Profit and Loss Account

For the year ended 31 December 2015

	<u>Note</u>	<u>2015 Total</u> £m
<b>Turnover</b>	3	747.2
Cost of sales		<u>(274.3)</u>
<b>Gross profit</b>		472.9
Administration expenses		<u>(415.2)</u>
<b>Group operating profit</b>		57.7
<b>Operating profit analysed as:</b>		
<b>Group operating profit before exceptional items</b>		36.1
Exceptional Costs	4	(12.5)
Exceptional Income	4	34.1
Group's share of profit in joint ventures		0.2
Profit on disposal of properties	4	10.5
<b>Profit on ordinary activities before interest and taxation</b>		68.4
Other interest receivable and similar income	5	23.0
Interest payable and similar charges	6	(95.4)
<b>Loss on ordinary activities before taxation</b>		(4.0)
Tax on loss on ordinary activities	7	(0.9)
<b>Loss for the financial year</b>		<u>(4.9)</u>

All operations were continuing.

The accompanying notes form an integral part of these consolidated financial statements.

Odeon and UCI Cinemas Holdings Limited

Consolidated Statement of Other Comprehensive Income

For the year ended 31 December 2015

	<u>Note</u>	<u>2015</u>
		£m
<b>Loss for the year</b>		<b>(4.9)</b>
<b>Other comprehensive income/(expense)</b>		
Foreign exchange differences on translation of foreign operations		(8.2)
Remeasurement of the net defined benefit pension asset	22	3.4
Effect of asset limit on remeasurement of net defined pension asset	22	(5.3)
<b>Other comprehensive loss for the year, net of income tax</b>		<b>(10.1)</b>
<b>Total comprehensive loss for the year</b>		<b>(15.0)</b>

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

The accompanying notes form an integral part of these consolidated financial statements.

Odeon and UCI Cinemas Holdings Limited

Consolidated Balance Sheet

At 31 December 2015

	<u>Note</u>	<u>2015</u>	
		£m	£m
<b>Fixed assets</b>			
Intangible assets	8		124.6
Tangible assets	9		418.6
Investments in joint ventures			1.0
			<u>544.2</u>
<b>Current assets</b>			
Stocks	11	7.3	
Debtors due within one year	12	56.9	
Debtors due after more than one year	13	16.5	
Cash at bank and in hand	14	58.8	
		<u>139.5</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(190.6)</u>	
<b>Net current liabilities</b>			<u>(51.1)</u>
<b>Total assets less current liabilities</b>			493.1
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(1,066.1)</u>	
<b>Provisions for liabilities</b>			
Deferred tax liability	20	(6.2)	
Provisions	21	(35.1)	
Pensions and similar obligations	22	<u>(0.6)</u>	
			<u>(1,108.0)</u>
<b>Net liabilities</b>			<u>(614.9)</u>
<b>Capital and reserves</b>			
Called up share capital	23		120.6
Other reserves			(10.3)
Profit and loss account			<u>(725.2)</u>
<b>Shareholders' deficit</b>			<u>(614.9)</u>

The accompanying notes form an integral part of these consolidated financial statements.

Odeon and UCI Cinemas Holdings Limited

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Called up share capital	Merger reserve	Profit and loss account	Total shareholders' deficit
	£m	£m	£m	£m
Balance at 1 January 2015	120.6	(10.3)	(710.2)	(599.9)
<b>Total comprehensive loss for the period</b>				
Loss for the year	—	—	(4.9)	(4.9)
Other comprehensive loss	—	—	(10.1)	(10.1)
<b>Total comprehensive loss for the period</b>	—	—	(15.0)	(15.0)
<b>Balance at 31 December 2015</b>	<b>120.6</b>	<b>(10.3)</b>	<b>(725.2)</b>	<b>(614.9)</b>

The accompanying notes form an integral part of these consolidated financial statements

Odeon and UCI Cinemas Holdings Limited

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	<u>Note</u>	<u>2015</u>
		<u>£m</u>
<b>Cash flows from operating activities</b>		
Loss for the year		(4.9)
<i>Adjustments for:</i>		
Depreciation	4	51.5
Amortisation	4	11.6
Interest receivable and similar income	5	(23.0)
Interest payable and similar charges	6	95.4
Profit on disposal of properties	4	(10.5)
Share of operating profit of joint ventures		(0.2)
Taxation	7	0.9
		<u>120.8</u>
Decrease in trade and other debtors	12,13	0.3
Increase in stocks	11	(1.4)
Increase in trade and other creditors	15,16	11.6
Decrease in provisions and employee benefits	21,22	(33.1)
		<u>98.2</u>
Tax received		0.5
<b>Net cash from operating activities</b>		<u>98.7</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of tangible fixed assets	4	12.2
Acquisition of a subsidiary	2	(0.5)
Acquisition of tangible fixed assets	9	(33.6)
<b>Net cash used in investing activities</b>		<u>(21.9)</u>
<b>Cash flows from financing activities</b>		
Interest paid		(38.8)
Repayment of borrowings		(0.9)
Payment of finance lease liabilities		(1.4)
<b>Net cash used in financing activities</b>		<u>(41.1)</u>
Net increase in cash and cash equivalents		35.7
Cash and cash equivalents at 1 January	14	24.2
Effect of exchange rate fluctuations on cash held		(1.1)
<b>Cash and cash equivalents at 31 December</b>	14	<u>58.8</u>

The accompanying notes form an integral part of these consolidated financial statements



## Odeon and UCI Cinemas Holdings Limited

### Notes to the Consolidated Financial Statements

#### 1 Accounting policies

Odeon and UCI Cinemas Holdings Limited (the "Company" or the "Group") is a company limited by shares and incorporated and domiciled in the UK.

##### 1.1 Basis of preparation

The purpose of these consolidated financial statements is to meet the reporting requirements of Rule 3-05 of Regulation S-X and accordingly they do not include comparative figures.

The year ended 31 December 2015 is the first for which the Group has prepared consolidated financial statements in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in September 2015. These consolidated financial statements were prepared under the historical cost accounting rules. Assets acquired as part of business combinations are recognised at fair value at the acquisition date. The presentation currency of these financial statements is sterling.

The Group transitioned from previously extant UK generally accepted accounting practice ("UK GAAP") to FRS 102 as at 1 January 2014.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been applied in these financial statements:

- Business combinations—business combinations that took place prior to transition date have not been restated.
- Designation of previously recognised financial instruments—certain financial assets and liabilities were at the transition date designated at fair value through profit or loss.
- Lease incentives—for leases commenced before transition date the Group continued to account for lease incentives under previous UK GAAP.

These consolidated financial statements were approved by the Board of Directors on 20 October 2016.

The accounting policies set out below have, unless otherwise stated, been applied consistently.

##### 1.2 Impact of implementation of FRS 102

In these financial statements the Group has implemented FRS 102, the new UK GAAP accounting framework, which has necessitated changes to its accounting policies in the following areas:

- Loyalty Awards; Under FRS 102.23.9 an entity is required to account for award credits as a separately identifiable component of the sale. Previously the group accounted for the cost of providing the rewards rather than the revenue.
- Interest Rate Swap; Under FRS 102.12.6 to 12.8 derivatives are recognised on the balance sheet at fair value through profit and loss. Previously interest rate swaps were held off balance sheet until the related transaction occurred.
- Lease incentives; Lease incentives were previously accounted for over the shorter of the lease term and the period to the rent review. Under FRS 102.20.15 lease incentives are now recognised over the lease term, except where covered by the first time adoption exemption taken, as described above.

Notes to the Consolidated Financial Statements (Continued)

**1 Accounting policies (Continued)**

**1.3 Going concern**

The financial statements are prepared on a going concern basis. The directors have formally considered and concluded that this remains appropriate. The directors' assessment includes a review of detailed periodic funding requirements and sensitivity analysis. The conclusion has been reached despite the fact that the consolidated balance sheet shows a shareholders' deficit and net current liabilities, because the Group and Company have long term funding in place. Further detail is set out below.

Following a refinancing in May 2011, senior secured notes totalling £300 million and €200 million are in issue. The term of the notes is 7 years. Furthermore, agreements were entered during May 2011 that provide the Group with a £90 million committed Revolving Credit Facility ("RCF") for working capital management and other purposes, which put the Group in a strong liquidity position. The RCF was due to expire in May 2017, but was extended under the same terms and is now due to expire in November 2017. Under these new financing arrangements, there are no regular maintenance covenant ratio tests: ratios are tested only upon certain events which are within the control of the Group, such as raising additional external debt.

The directors have reviewed forecast monthly cash requirements, including reasonable sensitivities, and are satisfied that there is sufficient headroom under the Group's existing facilities.

**1.4 Basis of consolidation**

Odeon and UCI Cinemas Holdings Limited was incorporated on 19 March 2007. On 4 April 2007 a group structure amendment took place with the result that Odeon and UCI Cinemas Holdings Limited was introduced as a new holding company for the group. Merger accounting was adopted as the basis of consolidation following this group structure amendment. By adopting this accounting treatment the consolidated financial information included in these accounts has been shown as though the structure change had occurred prior to 1 January 2007.

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2015. The acquisition method of accounting has been adopted for acquisitions completed subsequent to the April 2007 group structure amendment. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. The Group's share of the profits less losses of joint ventures is included in the consolidated profit and loss account and its interest in their net assets is included in investments in the consolidated balance sheet.

**1.5 Foreign currency**

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the

Notes to the Consolidated Financial Statements (Continued)

**1 Accounting policies (Continued)**

profit and loss account. The foreign currency assets and liabilities of subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the monthly average rates of exchange during the year. Gains and losses arising on these translations are generally taken to reserves; they are taken through the profit and loss account for the year only to the extent that translation gains or losses in relation to foreign currency assets are exceeded by those on foreign currency borrowings, excluding borrowings in place as long term strategic funding which are not expected to be settled without replacement.

**1.6 Accounting estimates and judgements**

The preparation of financial statements requires management to make judgements and estimates that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below.

*Onerous leases*

Provision is made for onerous leases, on annual review, where the cost of meeting the lease obligation exceeds the operating benefit of the site. In calculating the provision assumptions are made about future cash flows and discount rates thereof. The Directors consider these assumptions to be their best estimates of future cash flows and most appropriate discount rates. Management review the sensitivity of these when making the provision.

*Defined benefit pension plan*

The obligations under the defined benefit pension plans are calculated by independent actuaries, with input from Management. Assumptions are made regarding discount rates, asset return rates, salary progression and mortality rates, as detailed in note 22. Management consider the assumptions used to be the most appropriate for the calculations.

*Impairment of assets*

Assets are impaired if the group considers that indications of impairment exist. Indicators include estimated future cash flows, with assumptions made on the most appropriate discount rate to apply. The assumptions and estimates used are considered appropriate for these calculations.

**1.7 Financial instruments**

*Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is

Notes to the Consolidated Financial Statements (Continued)

**1 Accounting policies (Continued)**

measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

*Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings (excluding loan notes) are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

*Loan notes*

Loan notes are held in the balance sheet at their issued amount less directly attributable issue costs plus the accrued finance charge which has arisen on them. The finance charge accrues at a constant rate over the term of the notes.

*Senior secured notes*

Senior secured notes are stated net of unamortised issue costs. Interest accrued on the senior secured notes is shown within accruals.

*Investments*

Investments held as fixed assets are stated at cost less provisions for any impairment.

*Cash and cash equivalents*

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

*Derivatives*

The Group enters into interest rate swaps to manage the interest rate risk arising from the Group's sources of finance. Changes in the fair value of the interest rate swap are charged to the profit and loss account.

**1.8 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the

Notes to the Consolidated Financial Statements (Continued)

**1 Accounting policies (Continued)**

shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives or depreciation rate are as follows:

- Freehold buildings - 2% per annum
- Long leasehold property - over the period of the lease to a maximum of 50 years
- Short leasehold property - over the period of the lease
- Plant, fixtures and fittings - 4-33% per annum

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Assets under construction (the construction and redevelopment of cinemas) are not depreciated as these assets are not available for use in the business.

*Digital projection*

Certain digital projectors and related assets located and operated in Group premises, which are funded and legally owned by independent third parties, are recognised in the Group's consolidated balance sheet and a corresponding deferred income creditor of the same carrying value is recognised. The fixed assets are depreciated over their estimated useful lives and the corresponding deferred income balance is released against this depreciation over the same period.

**1.9 Goodwill**

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 20 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Goodwill is tested for impairment in accordance with Section 27—*Impairment of assets* when there is an indication that it may be impaired.

**1.10 Stocks**

Stocks are stated at the lower of cost and net realisable value.

**1.11 Impairment**

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed assets of income-generating units may not be recoverable. Indications include the recognition of an onerous lease provision in relation to specific income-generating units. If this or any other such indication exists, the recoverable amount is estimated and an appropriate impairment loss is recognised.

Notes to the Consolidated Financial Statements (Continued)

**1 Accounting policies (Continued)**

*Reversals of impairment*

An impairment loss is reversed where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**1.12 Employee benefits**

*Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

*Defined benefit plans*

The Group operates three pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the Group. The schemes have been closed to future benefit accrual for a number of years.

*Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability/(asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability or asset is recognised in the statement of other comprehensive income.

Notes to the Consolidated Financial Statements (Continued)

**1 Accounting policies (Continued)**

*Long term incentive plans*

Share-based payment transactions in which the Company receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the entity's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised in profit or loss.

Other long term incentive plans are recognised at the best estimate of fair value spread across the time period in which the benefit is earned by the employee.

**1.13 Provisions**

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

**1.14 Turnover**

Turnover represents amounts charged to customers for goods, services and other income, stated net of value added tax, which is recognised based on the date the goods and services are received and the period over which the rental income is earned, and net of loyalty points earned and redeemed.

The cost of loyalty points is treated as a deduction from sales and part of the fair value of the consideration received is deferred and subsequently recognised over the period that the rewards are redeemed or expire. The fair value of the points awarded is determined with reference to the fair value to the customer.

**1.15 Expenses**

*Operating leases*

Rental costs under operating leases are charged to the profit and loss account over the period of the lease on a straight line basis. Certain leases contain inflation-driven rental uplifts with pre-determined minimums and the amount payable in respect of these uplifts is charged to the profit and loss account as it arises. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Provision is made for lease commitments on certain leasehold properties based on the expected exposure. The amount provided is based either on the future rental obligations net of risk adjusted anticipated operating profit from trading, discounted using a risk free discount rate, or management's best estimate of the expected exposure. Provision is made for the remaining period of the leases

Notes to the Consolidated Financial Statements (Continued)

**1 Accounting policies (Continued)**

identified, subject to a maximum of 25 years, after which the directors consider the impact of discounting upon the rental and trading projections renders them immaterial.

*Finance leases*

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

*Exceptional items*

In order for items to be classified as exceptional in the financial statements, they must: be significant in value; relate to events outside the ordinary course of business; or be one-off or non-recurring.

*Pre-opening costs*

Operating costs incurred before a new cinema is opened are written off to the profit and loss account as incurred.

*Interest receivable and interest payable*

Interest payable and similar charges include interest payable and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**1.16 Taxation**

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

**2 Acquisitions and disposal of businesses**

During 2015, the Group paid deferred consideration of £0.5m in relation to a 2011 acquisition.



Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

3 Segmental Analysis

The Group has two operating segments split by geographical location: UK & Ireland and Continental Europe.

<u>2015</u>	<u>UK &amp; Ireland</u>	<u>Continental Europe</u>	<u>Total</u>
	£m	£m	£m
<b>Revenue</b>	<b>402.7</b>	<b>344.5</b>	<b>747.2</b>
<b>Operating profit</b>	<b>28.3</b>	<b>29.4</b>	<b>57.7</b>
Share of operating profit of JV			0.2
Profit on disposal of properties			10.5
Net finance costs			(72.4)
Tax			(0.9)
<b>Loss after tax</b>			<b>(4.9)</b>

4 Expenses

Included in profit/(loss) are the following:

	<u>2015</u>
	£m
Depreciation	
—Finance Lease Assets	1.2
—Other Assets	50.3
—Digital production deferred income release	(6.8)
Amortisation of Goodwill	11.6
Property rental income	(1.6)
Rentals under operating leases—property	120.6
Exceptional Costs	12.5
Exceptional Income	(34.1)
Profit on disposal of properties	(10.5)

*Exceptional Costs*

The exceptional costs in 2015 related to restructuring and preparation for the potential change of ownership of the group, which is described in note 29. The tax effect of the exceptional costs in 2015 was £0.7m.

*Exceptional Income*

The exceptional income in 2015 related to:

- (i) a premium from a cinema landlord in exchange for granting an option to potentially terminate the lease;
- (ii) partial release of onerous lease provisions;

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

4 Expenses (Continued)

- (iii) partial release of provisions made against amounts receivable from subsidiaries of Odeon Property Group LLP, which were related parties; and
- (iv) other property matters.

The tax effect of the exceptional income in 2015 was £4.7m.

*Profit on disposal of properties*

The profit or loss on disposal of tangible fixed assets represents the difference between the proceeds due (net of disposal costs) and the net book value of the assets sold or scrapped.

5 Other interest receivable and similar income

	<u>2015</u>
	£m
Gain on fair value adjustment to carrying amount of interest rate swap	0.3
Net foreign exchange gain	22.8
Net interest income on net defined benefit plan assets	0.4
Other finance charges	(0.5)
Total other interest receivable and similar income	<u>23.0</u>

6 Interest payable and similar charges

	<u>2015</u>
	£m
Interest payable on bank loans and overdrafts	0.2
Interest payable on senior secured notes	34.6
Interest payable on shareholder loan notes	52.2
Amortisation of issue costs	3.2
Unwind of discount on provisions	2.6
Other financing costs	2.4
Share of joint ventures	0.2
Total interest payable and similar charges	<u>95.4</u>

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	<u>2015</u>
	£m
<i>Current tax</i>	
Current tax on income for the period	1.4
Adjustments in respect of prior periods	<u>(1.3)</u>
Total current tax	0.1
<i>Deferred tax (note 20)</i>	
Origination and reversal of timing differences	<u>0.8</u>
Total deferred tax	0.8
Total tax	<u><u>0.9</u></u>

	2015		
	<u>Current tax</u>	<u>Deferred tax</u>	<u>Total tax</u>
	£m	£m	£m
Recognised in profit and loss account	0.1	0.8	0.9

Analysis of current tax recognised in profit and loss

	<u>2015</u>
	£m
UK corporation tax	—
Share of tax of joint venture	—
Foreign tax	<u>0.1</u>
Total current tax recognised in profit and loss	<u><u>0.1</u></u>

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

7 Taxation (Continued)

Reconciliation of effective tax rate

	<u>2015</u>
	<u>£m</u>
Loss for the year	(4.9)
Total tax expense/(income)	<u>0.9</u>
Loss excluding taxation	(4.0)
Tax using the UK corporation tax rate of 20.25%	(0.8)
Effect of tax rates in foreign jurisdictions	0.8
Non-deductible expenses	9.0
Capital allowances in excess of depreciation for which no deferred tax asset was recognised	(1.4)
Other timing differences for which no deferred tax asset was recognised	(3.2)
Losses not utilised for which no deferred tax asset was recognised	0.8
Recognition of previously unrecognised deferred tax asset	(3.5)
Provision for local taxes	0.7
Under/(over) provided in prior years	(1.1)
Capital gains in excess of book value	0.2
Difference with deferred tax rate	<u>(0.6)</u>
Total tax expense/(income) included in profit or loss	<u><u>0.9</u></u>

Reductions in the UK corporation tax rate from 23% to 21% were effective from 1<sup>st</sup> April 2014, falling to 20% on 1 April 2015. On 26<sup>th</sup> October 2015, further reductions to 19% from 1 April 2017 and 18% from 1<sup>st</sup> April 2020 were substantively enacted. The deferred tax balance included on the balance sheet has been calculated based on these rates.

8 Intangible assets and goodwill

	<u>Goodwill</u>
	<u>£m</u>
<b>Cost</b>	
Balance at 1 January	239.8
Effect of movements in foreign exchange	(5.9)
Balance at 31 December	<u><u>233.9</u></u>
<b>Amortisation</b>	
Balance at 1 January	99.4
Amortisation for the year	11.6
Effect of movements in foreign exchange	(1.7)
Balance at 31 December	<u><u>109.3</u></u>
<b>Net book value</b>	
At 1 January 2015	<u>140.4</u>
At 31 December 2015	<u><u>124.6</u></u>

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

8 Intangible assets and goodwill (Continued)

Goodwill is held at amortised cost, and amortisation is charged to operating profit.

Impairment reviews have been performed in accordance with FRS 102. The directors have concluded that no goodwill impairment provision is required.

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. Goodwill is amortised over 20 years on all acquisitions in these financial statements, representing the directors' best estimate of the useful economic life of the goodwill.

9 Tangible fixed assets

	Land and buildings £m	Plant, fixtures & fittings £m	Cinemas under construction £m	Total £m
<b>Cost</b>				
Balance at 1 January	374.5	467.5	6.3	848.3
Additions	1.2	10.7	24.8	36.7
Reclassifications	10.7	12.3	(23.0)	—
Disposals	(15.1)	(13.4)	(0.1)	(28.6)
Effect of movements in foreign exchange	(7.9)	(13.9)	(0.1)	(21.9)
Balance at 31 December	<u>363.4</u>	<u>463.2</u>	<u>7.9</u>	<u>834.5</u>
<b>Depreciation and impairment</b>				
Balance at 1 January	129.6	268.5	—	398.1
Depreciation charge for the year	20.7	30.8	—	51.5
Disposals	(11.7)	(12.0)	—	(23.7)
Effect of movements in foreign exchange	(2.8)	(7.2)	—	(10.0)
Balance at 31 December	<u>135.8</u>	<u>280.1</u>	<u>—</u>	<u>415.9</u>
<b>Net book value</b>				
At 1 January 2015	<u>244.9</u>	<u>199.0</u>	<u>6.3</u>	<u>450.2</u>
At 31 December 2015	<u>227.6</u>	<u>183.1</u>	<u>7.9</u>	<u>418.6</u>

Leased plant and machinery

At the year end the net carrying amount of land and buildings leased under a finance lease was £3.8m. Depreciation for the year on assets held under finance lease was £1.2m.

Included in the net carrying amount of plant, fixtures and fittings is £43.6m in respect of digital and related assets held under third party arrangements/agreements with an offsetting amount shown in deferred revenue. Depreciation for the year on these assets was £6.8m.

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

10 Fixed asset investments

	<u>Interests in Joint Ventures</u> £m
<b>Cost</b>	
At beginning of year	1.9
Additions	—
At end of year	<u>1.9</u>
<b>Share of post acquisition reserves</b>	
At beginning of year	(0.9)
Retained profits less losses	—
At end of year	<u>(0.9)</u>
<b>Provisions</b>	
At beginning of year	—
Impairment losses	—
At end of year	—
<b>Net book value</b>	
<b>At 31 December 2015</b>	<u><u>1.0</u></u>

11 Stocks

	<u>2015</u> £m
Goods for resale	<u>7.3</u>

12 Debtors amounts falling due within one year

	<u>2015</u> £m
Trade debtors	<u>23.2</u>
Prepayments and accrued income	<u>20.5</u>
Other debtors	<u>13.2</u>
	<u><u>56.9</u></u>

13 Debtors amounts falling due after one year

	<u>2015</u> £m
Trade debtors	<u>1.2</u>
Prepayments and accrued income	<u>3.7</u>
Other debtors	<u>5.6</u>
Deferred tax assets (see note 20)	<u>6.0</u>
	<u><u>16.5</u></u>

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

14 Cash

	<u>2015</u>
	£m
Cash at bank and in hand	58.8

15 Creditors: amounts falling due within one year

	<u>2015</u>
	£m
Bank loans and overdrafts (see note 17)	0.2
Trade creditors	47.7
Obligations under finance leases (see note 18)	1.6
Other creditors including taxation and social security	24.5
Corporation tax	0.6
Accruals and deferred income	116.0
	<u>190.6</u>

16 Creditors: amounts falling after more than one year

	<u>2015</u>
	£m
Senior secured notes	447.4
Unamortised issue costs	(7.2)
	<u>440.2</u>
Obligations under finance leases	3.6
Shareholder loan notes	536.3
Other creditors, accruals and deferred income	85.5
Shareholder loans	0.5
	<u>1,066.1</u>

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

17 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

	<u>2015</u>
	£m
<b>Creditors falling due within one year</b>	
Bank loans	0.2
Finance lease liabilities	1.6
	<u>1.8</u>
<b>Creditors falling due in more than one year</b>	
Senior secured loans (excluding issue costs)	447.4
Shareholder loan notes	536.3
Shareholder loans	0.5
Finance lease liabilities	3.6
	<u>987.8</u>
<b>Total</b>	<u>989.6</u>

The maturity profile for the Group's senior secured notes, bank and other borrowings at 31 December was as follows:

	<u>2015</u>
	£m
Within 1 year, or on demand	1.8
Within one to two years	1.1
Within two to five years	985.5
Over five years	1.2
	<u>989.6</u>
Un-amortised issue costs	(7.2)
	<u>982.4</u>

The senior secured notes and revolving credit facility are secured by liens over the assets of certain group companies. The asset classes secured, which vary by jurisdiction, include share capital, material bank accounts and other material assets.



Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

18 Other interest-bearing loans and borrowings

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Minimum lease payments 2015
	£m
Less than one year	1.6
Between one and five years	2.4
More than five years	1.2
	<u>5.2</u>

The finance leases held relate principally to equipment and vehicles.

19 Derivatives

	2015
	£m
<b>Amounts falling due within one year</b>	
Financial liabilities designated at fair value through profit or loss	—

The Group borrows in the desired currencies at both fixed and floating rates of interest. Interest rate hedging contracts (swaps) have previously been used to generate the desired interest profile to manage the Group's exposure to interest rate fluctuations. The Group's policy is to maintain fixed interest rates, by means of hedging contracts if appropriate, covering between 50% and 100% of the senior secured notes. At the year-end approximately 67% of the Group's senior secured notes were at fixed rates. For Sterling denominated notes the fixed rate was 9.00%.

20 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2015	Liabilities 2015	Net 2015
	£m	£m	£m
Accelerated capital allowances	(4.3)	(8.8)	(13.1)
Unused tax losses	10.3	0.4	10.7
Other	—	2.2	2.2
Tax assets/(liabilities)	<u>6.0</u>	<u>(6.2)</u>	<u>(0.2)</u>

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

20 Deferred tax assets and liabilities (Continued)

The potential amounts of deferred tax not recognised are:

	<u>Assets</u> <u>2015</u>	<u>Liabilities</u> <u>2015</u>	<u>Net</u> <u>2015</u>
	£m	£m	£m
Accelerated capital allowances	1.7	—	1.7
Unused tax losses	76.5	—	76.5
Other	7.7	—	7.7
Tax assets	<u>85.9</u>	<u>—</u>	<u>85.9</u>

It is currently estimated there will be a net reversal of deferred tax liabilities of £3.3m in 2016 arising on fixed assets and other timing differences.

21 Provisions

	<u>Lease and</u> <u>other</u> <u>provisions</u> <u>£m</u>
Balance at 1 January 2015	66.3
Credited to profit and loss account	(18.0)
Provisions used during the year	(13.2)
Unwinding of discounted amount	2.6
Exchange differences	(2.6)
<b>Balance at 31 December 2015</b>	<u><b>35.1</b></u>

Provision has been made for lease commitments and claims relating to certain properties. The amount provided is based either on the future rental obligations, net of anticipated operating profit from trading (risk adjusted as appropriate), or management's best estimate of the expected exposure. Provision has been made for the remaining period of the leases identified, subject to a maximum of 25 years, after which the directors consider the impact of discounting upon the rental and trading projections renders them immaterial.

22 Employee benefits

The Group participates in two main defined benefit schemes in the UK, the ABC Cinemas Limited Pension Scheme (the "ABC plan") and the Optima 2 Pension Scheme (the "Optima 2 plan"). The Group also participates in a small defined benefit scheme in Ireland, the UCI Ireland Limited Staff Pension and Life Assurance Scheme (the "Ireland plan") and one defined contribution scheme in the UK, the Odeon DC Stakeholder Pension Scheme. Assets of the schemes are held separately from those of the Group in independently administered funds.

The information disclosed below is in respect of the whole of the plans of the Group.

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

22 Employee benefits (Continued)

Net pension (liability)/asset

The principal assets, liabilities and movements included in these financial statements for the three defined benefit schemes are summarised as follows:

	2015			Total £m
	ABC Plan £m	Optima 2 Plan £m	Ireland Plan £m	
Total fair value of assets	35.5	36.9	1.1	73.5
Present value of scheme liabilities	(24.2)	(33.1)	(1.7)	(59.0)
Surplus/(deficit)	11.3	3.8	(0.6)	14.5
Effect of asset limit	(11.3)	(3.8)	—	(15.1)
Deficit recognised	—	—	(0.6)	(0.6)
Actuarial gain in other comprehensive income	0.4	2.7	0.3	3.4

The fair value of the schemes' assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the schemes' liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, are shown in the table above.

The Directors consider the Ireland plan to be immaterial to these financial statements and have therefore chosen not to provide detailed disclosures in relation to it.

The detailed disclosures for the ABC plan and the Optima 2 plan are shown in the remainder of this note.

Both the ABC plan and the Optima 2 plan are closed to new members. The ABC plan is closed to future accrual from 1 November 2009. The Optima 2 plan is closed to future accrual from 1 January 2009. The latest full actuarial valuation for the ABC plan was carried out as at 30 April 2012 and was updated for FRS 102 purposes to 31 December 2015 by a qualified independent actuary. The latest full actuarial valuation for the Optima 2 plan was carried out as at 31 December 2012 and was updated for FRS 102 purposes to 31 December 2015 by a qualified independent actuary.

The Group employs a building block approach in determining the long-term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation.

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

22 Employee benefits (Continued)

*Movements in present value of defined benefit obligation*

	<u>ABC Plan</u>	<u>Optima 2 Plan</u>	<u>Total</u>
	£m	£m	£m
At 1 January 2015	26.6	36.1	62.7
Interest expense	0.9	1.3	2.2
Actuarial loss on scheme liabilities	(1.9)	(3.4)	(5.3)
Net benefits paid	(1.4)	(0.9)	(2.3)
At 31 December 2015	<u>24.2</u>	<u>33.1</u>	<u>57.3</u>

*Movements in fair value of plan assets*

	<u>ABC Plan</u>	<u>Optima 2 Plan</u>	<u>Total</u>
	£m	£m	£m
At 1 January 2015	36.3	36.2	72.5
Interest income	1.3	1.3	2.6
Actuarial gain on scheme assets	(1.5)	(0.7)	(2.2)
Contributions by employer	0.8	1.0	1.8
Benefits paid	(1.4)	(0.9)	(2.3)
At 31 December 2015	<u>35.5</u>	<u>36.9</u>	<u>72.4</u>

*Expense recognised in the profit and loss account*

	<u>2015</u>		
	<u>ABC Plan</u>	<u>Optima 2 Plan</u>	<u>Total</u>
	£m	£m	£m
Net interest on net defined benefit liability	0.4	—	0.4
Total expense recognised in profit or loss	<u>0.4</u>	<u>—</u>	<u>0.4</u>

*Expense recognised in other comprehensive income*

	<u>2015</u>		
	<u>ABC Plan</u>	<u>Optima 2 Plan</u>	<u>Total</u>
	£m	£m	£m
Actuarial return less expected return on pension scheme assets	(1.5)	(0.7)	(2.2)
Change in actuarial assumptions	1.9	3.4	5.3
Actuarial gain recognised in other comprehensive income	<u>0.4</u>	<u>2.7</u>	<u>3.1</u>

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

22 Employee benefits (Continued)

The fair value of the plan assets and the return on those assets were as follows:

	2015		
	Fair value		
	ABC Plan	Optima 2 Plan	Total
	£m	£m	£m
Equity Instruments	6.7	16.2	22.9
Debt Instruments	28.8	16.4	45.2
Cash and cash equivalents	—	0.2	0.2
Real Estate	—	4.1	4.1
Actual return on plan assets	35.5	36.9	72.4

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2015	
	ABC Plan	Optima 2 Plan
	%	%
Discount rate	3.8	3.9
Rate of increase in salaries	2.0	2.0
Rate of increase in pensions-in-payment	2.0	2.9
Rate of increase in pensions in deferred pensions	3.0	2.0
Inflation Assumption	3.0	3.0

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 65 will live on average for a further 21.6 years (ABC Plan) and for a further 21.8 years (Optima 2 Plan).

For a member aged 40 in 2015, retiring in 25 years time, the assumptions are that they will live on average for a further 24.0 years after retirement (ABC Plan) and for a further 24.7 years after retirement (Optima 2 Plan).

The pension cost relating to the defined benefit schemes is assessed in accordance with the advice of independent qualified actuaries using the projected unit method. As both the Optima 2 plan and ABC plan are closed to new members and future accrual, the current service cost is nil. The Group made special deficit reduction contributions of £1.0m (Optima 2 plan) and £0.8m (ABC plan). These rates are subject to review at future actuarial valuations.

**Defined contribution plans**

The pension charge in respect of the defined contribution pension plans for the year ended 31 December 2015 was £1.2m. As at 31 December 2015 there were £0.2m outstanding contributions to be made to the Odeon DC Stakeholder Pension Scheme.

## Odeon and UCI Cinemas Holdings Limited

### Notes to the Consolidated Financial Statements (Continued)

#### 22 Employee benefits (Continued)

##### Other long-term benefits

###### Long term incentive plan

A share-based long term incentive plan ("LTIP") is in place.

During 2014, certain members of the executive management team purchased in cash shares in Odeon & UCI Cinemas Group Limited ("OUCGL"), a subsidiary of the Company. These shares (B, C and D ordinary) potentially enable them to participate in future value growth of the business.

On a future sale of the business, executive management would have a right to sell their shares to the Company, and the Company would have a corresponding right to buy their shares, for a price determined in accordance with the share rights under the Articles of OUCGL and separate contractual arrangements.

The method of settlement would depend on the nature of any future sale of the business.

During 2015 the estimated fair value of the LTIP increased such that the Group recognised a liability. There are uncertainties regarding the liability and the charge to the consolidated profit and loss account in the period because the fair value depends upon assumptions regarding, inter alia, the equity value of the business and the timing of any future sale. The liability takes into account the directors' best estimates of these matters.

The movement in the year is shown in the following table:

	<u>£m</u>
Carrying amount of liability at 1 January 2015	—
Share-based payment expense in the period	5.8
Carrying amount of the liability at 31 December 2015	<u>5.8</u>

###### Other long term incentives

The Group has other long term incentive schemes in place which are structured to pay bonuses to executive management and other employees through the normal payroll systems upon a change of ownership. Accrual has been made for the directors' best estimates of the fair values as at the balance sheet date.

#### 23 Capital

##### Share capital

	<u>2015</u> <u>£m</u>
<i>Allotted, called up and fully paid</i>	
120,644,970 A ordinary shares of £1 each	<b>120.6</b>

The holders of A ordinary shares are entitled to receive dividends as declared from time to time and are entitled to attend, speak and vote at meetings of the Company (one vote per share).

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

**23 Capital (Continued)**

*Dividends*

After the balance sheet date no dividends were proposed by the directors.

**24 Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	Group 2015
	£m
Less than one year	143.0
Between one and five years	541.1
More than five years	951.1
	<u>1,635.2</u>

During the year £120.6m was recognised as an expense in the profit and loss account in respect of operating leases. These leases relate primarily to cinema properties.

**25 Commitments**

*Capital commitments*

Contractual commitments to purchase tangible fixed assets at the year-end were £2.9m.

**26 Contingencies**

At 31 December 2015 certain group companies acted as guarantors under the terms of the £300m and €200m senior secured notes and the £90m revolving credit facility. Certain group companies also acted as guarantors of rent and other payments for other group companies.

**27 Related parties**

*Identity of related parties with which the Group has transacted*

Terra Firma Investments (GP) 2 Limited, acting as general partner of the limited partnerships which constitute the Terra Firma Capital Partners II Fund, Terra Firma Capital Partners II LP-H, TFCP II Co-Investment 2 LP and TFCP II Co-Investment 2A LP ("Terra Firma"), has the ability to exercise a controlling influence over the Company through the holding of shares in a parent of the Company. The directors therefore consider it to be a related party.

Monterey Capital III Sarl ("Monterey"), a company registered in Luxembourg, was the immediate parent of the Company at 31 December 2015, and the directors therefore consider it to be a related party.

During April 2007, certain group companies entered into sale and leaseback arrangements in relation to freehold and leasehold properties. Terra Firma had the ability to exercise a controlling influence over the companies with which the sale and leaseback transactions took place (the "PropCos") through the holding of shares. The directors therefore considered them to be related parties. The total consideration for the properties sold in 2007, excluding VAT, was £178.8m. The

Odeon and UCI Cinemas Holdings Limited

Notes to the Consolidated Financial Statements (Continued)

27 Related parties (Continued)

consideration was partly settled during May 2007. During April 2009, the Company advanced £20.0m to the PropCos. Further settlements in cash were received by the Group during 2013 and 2014.

During 2015 a process to dissolve the PropCos was initiated. Prior to this, all balances with the Group were extinguished through settlements in cash totalling £2.8m and the release of a provision and none remained at 31 December 2015. Interest income from the PropCos in 2015 was nil. Rental expense payable to the PropCos in 2015 was nil.

The Group receives screen advertising services from Digital Cinema Media, a joint venture in which it has a 50% ownership interest.

*Transactions with key management personnel*

Total Directors' remuneration was £2.5m for the year, of which the highest paid director received £1.2m. No contributions to a Group pension scheme were made in relation to the highest paid director. No Directors accrued retirement benefits in 2015.

Long term incentive plans for management are outlined in note 22. There were no other transactions with key management personnel during the year.

*Other related party transactions*

	Income received 2015	Finance (income)/ expense 2015
	£m	£m
Entities with control, joint control or significant influence over the Group	—	52.2
Entities over which Group has control, joint control or significant influence (subject to wholly owned exemption)	16.3	(0.1)
	<u>16.3</u>	<u>52.1</u>

	Receivables outstanding 2015	Creditors outstanding 2015
	£m	£m
Entities with control, joint control or significant influence over the Group	—	536.8
Entities over which Group has control, joint control or significant influence (subject to wholly owned exemption)	4.1	—
	<u>4.1</u>	<u>536.8</u>

28 Ultimate parent company and parent company of larger group

The directors regard Terra Firma Holdings Limited, a company registered in Guernsey, as the ultimate parent entity. The ultimate controlling party is Guy Hands.



Notes to the Consolidated Financial Statements (Continued)

**29 Subsequent events**

On 12 July 2016, AMC Theatres (AMC Entertainment Holdings, Inc.) announced that it had entered into a definitive agreement to acquire Odeon & UCI Cinemas Group from private equity firm Terra Firma. The transaction is expected to be completed in the fourth quarter of 2016; it is conditional upon antitrust clearance by the European Commission.

**30 Summary of the significant differences between UK GAAP and US GAAP**

The accompanying consolidated financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"), including FRS 102. Such practice differs in certain respects from US Generally Accepted Accounting Principles ("US GAAP"). A summary of significant differences applicable to the Group is set out below:

**(a) Business combinations, intangible assets and goodwill**

Under previous UK GAAP, identifiable intangible assets were not required to be separately identified and recorded on a Company's balance sheet in connection with a business combination. Under US GAAP, identifiable intangible assets, such as tradenames and favourable / unfavourable leases are required to be separately identified and determined to be indefinite-lived or definite-lived assets.

Under UK GAAP, transaction expenses are capitalised as part of acquisition consideration. Under US GAAP acquisition-related costs are expensed in the period in which the costs are incurred.

**(b) Amortisation and impairment**

Under UK GAAP, goodwill is amortised, typically over a period of 20 years or less. Under US GAAP, goodwill is not amortised, but instead is tested at least annually for impairment or more frequently as events may trigger a need for an impairment analysis.

**(c) Leases**

*Onerous lease provisions*

Under UK GAAP, a liability equal to the present value of the obligation is recorded for leased properties that are still in use and expected to generate future losses. US GAAP prohibits the recognition of a liability for future losses until the entity terminates the contract or ceases to use the rights under the contract.

*Lease incentives*

Under UK GAAP, lease premiums received from the landlord in exchange for an option to terminate the lease at the landlord's discretion are expensed over the period until the lease termination option becomes exercisable, occasionally resulting in up front recognition of the full lease incentive payment. Under US GAAP, such lease premiums are expensed over the remaining non-cancellable term of the lease.

Notes to the Consolidated Financial Statements (Continued)

30 Summary of the significant differences between UK GAAP and US GAAP (Continued)

*Capital leases*

Under UK GAAP, a lease is classified as a finance lease if it transfers substantially all of the risks and rewards of ownership; otherwise, it is classified as an operating lease. Under US GAAP, a lessee classifies a lease as a capital lease if any one of four specified criteria is met; otherwise, it is an operating lease. Certain of the criteria contain bright-line tests that, if met, would require a lessee to classify a lease as a capital lease.

*Build to suit leases and sale-leaseback transactions*

UK GAAP does not contain specific guidance on accounting for arrangements where the lessee is involved in the construction of the leased asset and such leases may be treated as operating leases. Where it is determined under US GAAP that the lessee has substantially all of the construction period risk, the lessee is considered to be the owner of the asset during construction and recognises an asset and liability related to the build-to-suit lease on its balance sheet. When construction is complete and the lease term begins, the lessee may only account for the deemed sale-leaseback transaction if certain conditions are met. A seller-lessee is precluded from accounting for the transaction as a sale when it has any continuing involvement. UK GAAP does not have similar sale-leaseback recognition criteria.

*Operating leases*

UK GAAP does not require fixed escalation clauses intended to represent expected general inflation to be reflected in the calculation of straight-line rent expense. Under US GAAP, operating lease costs, including fixed escalation clauses, are recognised on a straight line basis over the lease term.

**(d) Long-lived assets**

Under UK GAAP, reversals of impairments on long-lived assets are permitted but should not exceed the carrying amount that would have been determined had no impairment loss been recognized in the past. US GAAP does not allow for the reversal of a previously recognized impairment loss on a long-lived asset held and used.

**(e) Share-based compensation costs**

Under UK GAAP, share-based compensation expense is recognised for cash-settled awards with a non-market performance condition, such as an exit event, when it becomes more likely than not that the vesting condition will be satisfied. Under US GAAP, compensation cost related to awards with performance conditions based on change in control is only recognised when the event occurs.

**(f) Pensions**

Under UK GAAP, the net pension assets associated with an overfunded pension plan are generally not recognized on the face of the balance sheet. US GAAP requires the recognition of such pension assets on the balance sheet.

Under UK GAAP, actuarial losses or gains are recognised immediately through other comprehensive income during the year of occurrence. Under US GAAP, these are recognised in other comprehensive income and amortised through the income statement over the average life expectancy of

Notes to the Consolidated Financial Statements (Continued)

**30 Summary of the significant differences between UK GAAP and US GAAP (Continued)**

inactive participants following the corridor approach, which allows the Company to defer amortization of actuarial losses or gains through the income statement based on specified thresholds.

**(g) Taxes**

UK GAAP requires an entity's measurement of the deferred tax impact on timing differences to reflect its expectation as to the manner in which it will recover an asset or settle a liability. US GAAP requires deferred tax to be measured based on an assumption that the underlying asset (liability) will be recovered (settled) in a manner consistent with its current use in the business.

Under UK GAAP, where an asset is acquired other than via a business combination and its tax base is lower than the consideration paid, the difference does not meet the definition of a timing difference and so no deferred tax is recognised. Under US GAAP, the amount recognised for the asset acquired is grossed up and a deferred tax liability is established such that the overall impact on net assets is equal to the consideration paid.

Under UK GAAP deferred tax assets are only recognised to the extent realisation is probable. Under US GAAP deferred tax assets are recognised in full and a valuation allowance is separately recognised to the extent it is more likely than not that the deferred tax asset will not be realised.

**(h) Classification and presentation differences**

In addition to the differences between UK GAAP and US GAAP related to the recognition and measurement of transactions by the Company, there are also differences in the manner in which items are classified and presented in the Group's financial statements.

Under UK GAAP, exceptional items are required or expressly permitted to be disclosed by virtue of their size or incidence. Details of the exceptional items are set out in Note 4. Under US GAAP, items are not presented as exceptional, rather US GAAP requires the presentation of unusual or infrequently occurring items on the face of the financials or in the notes. In addition, UK GAAP permits the inclusion of non-GAAP measures on the face of the primary statements whereas US GAAP does not.

## QuickLinks

[Exhibit 99.1](#)

[Odeon and UCI Cinemas Holdings Limited Consolidated Profit and Loss Account For the year ended 31 December 2015](#)

[Odeon and UCI Cinemas Holdings Limited Consolidated Statement of Other Comprehensive Income For the year ended 31 December 2015](#)

[Odeon and UCI Cinemas Holdings Limited Consolidated Balance Sheet At 31 December 2015](#)

[Odeon and UCI Cinemas Holdings Limited Consolidated Statement of Changes in Equity For the year ended 31 December 2015](#)

[Odeon and UCI Cinemas Holdings Limited Consolidated Statement of Cash Flows For the year ended 31 December 2015](#)

[Odeon and UCI Cinemas Holdings Limited Notes to the Consolidated Financial Statements](#)

**Odeon and UCI Cinemas Holdings Limited**  
**Interim Condensed Consolidated Profit and Loss Accounts**  
**For the six months ended 30 June 2016**

	(Unaudited) 6 months ended	(Unaudited) 6 months ended
Note	30 June 2016	30 June 2015
	£m	£m
<b>Turnover</b>	2 <b>367.3</b>	348.7
Cost of sales	<b>(134.9)</b>	(126.3)
<b>Gross profit</b>	<b>232.4</b>	222.4
Administration expenses	<b>(239.3)</b>	(208.5)
<b>Group operating (loss)/profit</b>	<b>(6.9)</b>	13.9
<b>Operating (loss)/profit analysed as:</b>		
<b>Group operating (loss)/profit before exceptional items</b>	<b>2.3</b>	9.3
Exceptional Costs	3 <b>(9.2)</b>	(0.8)
Exceptional Income	3 <b>—</b>	5.4
Group's share of loss in joint ventures	<b>(0.2)</b>	(0.2)
Loss on disposal of properties	<b>—</b>	(0.2)
<b>(Loss)/profit on ordinary activities before interest and taxation</b>	<b>(7.1)</b>	13.5
Other interest receivable and similar income	<b>—</b>	38.4
Interest payable and similar charges	<b>(101.3)</b>	(49.3)
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(108.4)</b>	2.6
Tax on (loss)/profit on ordinary activities	<b>(0.2)</b>	1.2
<b>(Loss)/profit for the period</b>	<b>(108.6)</b>	3.8

In the period to 30 June in both 2016 and 2015 all operations were continuing.

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Odeon and UCI Cinemas Holdings Limited

Interim Condensed Consolidated Statements of Other Comprehensive Income

For the six months ended 30 June 2016

	(Unaudited) 6 months ended 30 June 2016	(Unaudited) 6 months ended 30 June 2015
	£m	£m
<b>(Loss)/profit for the period</b>	<b>(108.6)</b>	<b>3.8</b>
<b>Other comprehensive income/(expense)</b>		
Foreign exchange differences on translation of foreign operations	17.7	(13.7)
Remeasurement of the net defined benefit pension asset	1.0	(0.9)
Effect of asset limit on remeasurement of net defined pension asset	(2.0)	(0.4)
<b>Other comprehensive income/(loss) for the period, net of income tax</b>	<b>16.7</b>	<b>(15.0)</b>
<b>Total comprehensive loss for the period</b>	<b>(91.9)</b>	<b>(11.2)</b>

There is no difference between the loss on ordinary activities before taxation and the loss for the period stated above and their historical cost equivalents.

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Odeon and UCI Cinemas Holdings Limited

Interim Condensed Consolidated Balance Sheets

At 30 June 2016

	(Unaudited) 30 June 2016	31 December 2015	(Unaudited) 30 June 2015
Note	£m	£m	£m
<b>Fixed assets</b>			
Intangible assets	126.1	124.6	128.0
Tangible assets	4	418.6	423.0
Investments in joint ventures	0.8	1.0	0.8
	<u>555.0</u>	<u>544.2</u>	<u>551.8</u>
<b>Current assets</b>			
Stocks	7.3	7.3	6.2
Debtors due within one year	52.5	56.9	52.6
Debtors due after more than one year	17.7	16.5	13.5
Cash at bank and in hand	27.2	58.8	13.0
	<u>104.7</u>	<u>139.5</u>	<u>85.3</u>
<b>Creditors: amounts falling due within one year</b>	<b>(178.6)</b>	<b>(190.6)</b>	<b>(161.9)</b>
<b>Net current liabilities</b>	<b>(73.9)</b>	<b>(51.1)</b>	<b>(76.6)</b>
<b>Total assets less current liabilities</b>	<b>481.1</b>	<b>493.1</b>	<b>475.2</b>
<b>Creditors: amounts falling due after more than one year</b>	<b>(1,146.0)</b>	<b>(1,066.1)</b>	<b>(1,029.1)</b>
<b>Provisions for liabilities</b>			
Deferred tax liability	(5.4)	(6.2)	(2.0)
Provisions	(35.2)	(35.1)	(53.8)
Pensions and similar obligations	(1.3)	(0.6)	(1.4)
	<u>(1,187.9)</u>	<u>(1,108.0)</u>	<u>(1,086.3)</u>
<b>Net liabilities</b>	<b>(706.8)</b>	<b>(614.9)</b>	<b>(611.1)</b>
<b>Capital and reserves</b>			
Called up share capital	120.6	120.6	120.6
Other reserves	(10.3)	(10.3)	(10.3)
Profit and loss account	(817.1)	(725.2)	(721.4)
<b>Shareholders' deficit</b>	<b>(706.8)</b>	<b>(614.9)</b>	<b>(611.1)</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Odeon and UCI Cinemas Holdings Limited

Interim Condensed Consolidated Statements of Changes in Equity

For the six months ended 30 June 2016

	(Unaudited) Called up share capital £m	(Unaudited) Merger reserve £m	(Unaudited) Profit and loss account £m	(Unaudited) Total shareholders' deficit £m
Balance at 1 January 2015	120.6	(10.3)	(710.2)	(599.9)
<b>Total comprehensive loss for the period</b>				
Profit for the period	—	—	3.8	3.8
Other comprehensive loss	—	—	(15.0)	(15.0)
<b>Total comprehensive loss for the period</b>	—	—	<b>(11.2)</b>	<b>(11.2)</b>
Total contributions by and distributions to owners	—	—	—	—
<b>Balance at 30 June 2015</b>	<b>120.6</b>	<b>(10.3)</b>	<b>(721.4)</b>	<b>(611.1)</b>

	(Unaudited) Called up share capital £m	(Unaudited) Merger reserve £m	(Unaudited) Profit and loss account £m	(Unaudited) Total shareholders' deficit £m
Balance at 1 January 2016	120.6	(10.3)	(725.2)	(614.9)
<b>Total comprehensive loss for the period</b>				
Loss for the period	—	—	(108.6)	(108.6)
Other comprehensive income	—	—	16.7	16.7
<b>Total comprehensive loss for the period</b>	—	—	<b>(91.9)</b>	<b>(91.9)</b>
Total contributions by and distributions to owners	—	—	—	—
<b>Balance at 30 June 2016</b>	<b>120.6</b>	<b>(10.3)</b>	<b>(817.1)</b>	<b>(706.8)</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.



Odeon and UCI Cinemas Holdings Limited

Interim Condensed Consolidated Statements of Cash Flows

For the six months ended 30 June 2016

	(Unaudited) 6 months ended 30 June 2016	(Unaudited) 6 months ended 30 June 2015
	£m	£m
<b>Cash flows from operating activities</b>		
(Loss)/profit for the period	(108.6)	3.8
<i>Adjustments for:</i>		
Depreciation	25.5	24.5
Amortisation	6.0	5.8
Interest receivable and similar income	—	(38.4)
Interest payable and similar charges	101.3	49.3
Loss on disposal of properties	—	0.2
Share of operating loss of joint ventures	0.2	0.2
Taxation	0.2	(1.2)
	<u>24.6</u>	<u>44.2</u>
Decrease in trade and other debtors	4.8	2.9
Decrease/(increase) in stocks	0.5	(0.5)
Decrease in trade and other creditors	(24.6)	(9.3)
Decrease in provisions and employee benefits	(2.7)	(10.1)
	<u>2.6</u>	<u>27.2</u>
Tax (paid)/ received	(0.9)	0.7
<b>Net cash from operating activities</b>	<u>1.7</u>	<u>27.9</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of tangible fixed assets	(0.2)	1.2
Acquisition of tangible fixed assets	(16.2)	(17.4)
<b>Net cash used in investing activities</b>	<u>(16.4)</u>	<u>(16.2)</u>
<b>Cash flows from financing activities</b>		
Paid to related parties	(0.2)	—
Interest paid	(19.2)	(20.8)
Repayment of borrowings	(0.2)	(0.5)
Payment of finance lease liabilities	(0.5)	(0.4)
<b>Net cash used in financing activities</b>	<u>(20.1)</u>	<u>(21.7)</u>
Net decrease in cash and cash equivalents	(34.8)	(10.0)
Cash and cash equivalents at 1 January	58.8	24.2
Effect of exchange rate fluctuations on cash held	3.2	(1.2)
<b>Cash and cash equivalents at 30 June</b>	<u>27.2</u>	<u>13.0</u>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

## 1 Accounting policies

### 1.1 Principal activities

Odeon and UCI Cinemas Holdings Limited (the "Company" or the "Group") is a company limited by shares and incorporated and domiciled in the UK.

The principal activity of the Group is the operation of multiplex cinemas. The principal activity of the Company is that of a holding company.

### 1.2 Basis of preparation

These unaudited interim condensed consolidated financial statements have been prepared to meet the reporting requirements of Rule 3-05 of Regulation S-X and in accordance with Financial Reporting Standard 104, Interim Financial Reporting applicable in the UK. They are special purpose financial statements and do not include all of the information and disclosures required in the annual financial statements. In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all adjustments which management considers necessary for a fair presentation of such financial statements for the periods presented. The results for the interim periods presented are not necessarily indicative of the results that may be expected for the entire fiscal year.

These unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 20 October 2016.

These unaudited interim condensed consolidated financial statements have been prepared on the going concern basis as the Group and Company have long term funding in place to enable the Group to trade and meet its obligations as they fall due for at least twelve months from the authorisation for issuance of these financial statements. These include senior secured notes, issued in May 2011 which have a 7 year term, and a revolving credit facility, with a term expiring in November 2017. The presentation currency of these interim condensed consolidated financial statements is sterling. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these interim condensed consolidated financial statements and on the same basis as for the annual financial statements for 2015.

### 1.3 Basis of consolidation

The unaudited interim consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 June 2016. The results of subsidiary undertakings acquired or disposed of in the year are included in the condensed consolidated profit and loss account from the date of acquisition or up to the date of disposal. Intra-group transactions are excluded on consolidation and sales and profit figures relate only to external transactions.

The Group's share of the profits less losses of joint ventures is included in the condensed consolidated profit and loss account and its interest in their net assets is included in investments in the consolidated balance sheet.

### 1.4 Accounting estimates and judgements

The preparation of financial statements requires management to make judgements and estimates that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

**1 Accounting policies (Continued)**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below.

*Onerous leases*

Provision is made for onerous leases, on annual review, where the cost of meeting the lease obligation exceeds the operating benefit of the site. In calculating the provision assumptions are made about future cash flows and discount rates thereof. The Directors consider these assumptions to be their best estimates of future cash flows and most appropriate discount rates. Management review the sensitivity of these when making the provision.

*Defined benefit pension plan*

The obligations under the defined benefit pension plans are calculated by independent actuaries, with input from Management. Assumptions are made regarding discount rates, asset return rates, salary progression and mortality rates. Management consider these the assumptions used to be the most appropriate for the calculations.

*Impairment of assets*

Assets are impaired if the group considers that indications of impairment exist. Indicators include estimated future cash flows, with assumptions made on the most appropriate discount rate to apply. The assumptions and estimates used are considered appropriate for these calculations.

**1.5 Financial instruments**

*Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

*Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings (excluding loan notes) are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

*Loan notes*

Loan notes are held in the balance sheet at their issued amount less directly attributable issue costs plus the accrued finance charge which has arisen on them. The finance charge accrues at a constant rate over the term of the notes.

## Notes to the Interim Condensed Consolidated Financial Statements (Continued)

### 1 Accounting policies (Continued)

#### *Senior secured notes*

Senior secured notes are stated net of unamortised issue costs. Interest accrued on the senior secured notes is shown within accruals.

#### *Investments*

Investments held as fixed assets are stated at cost less provisions for any impairment.

#### *Cash and cash equivalents*

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

#### *Derivatives*

The Group has previously entered into interest rate swaps to manage the interest rate risk arising from the Group's sources of finance. Changes in the fair value of the interest rate swap were charged to the profit and loss account.

#### **1.6 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. Assets under construction (the construction and redevelopment of cinemas) are not depreciated as these assets are not available for use in the business.

The estimated useful lives or depreciation rate are as follows:

- Freehold buildings - 2% per annum
- Long leasehold property - over the period of the lease to a maximum of 50 years
- Short leasehold property - over the period of the lease
- Plant, fixtures and fittings - 4-33% per annum

#### *Digital projection*

Certain digital projectors and related assets located and operated in Group premises, which are funded and legally owned by independent third parties, are recognised in the Group's consolidated balance sheet and a corresponding deferred income creditor of the same carrying value is recognised. The fixed assets are depreciated over their estimated useful lives and the corresponding deferred income balance is released against this depreciation over the same period.

#### **1.7 Goodwill**

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 20 years.

**1 Accounting policies (Continued)**

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Goodwill is tested for impairment in accordance with Section 27—*Impairment of assets* when there is an indication that it may be impaired.

**1.8 Stocks**

Stocks are stated at the lower of cost and net realisable value.

**1.9 Impairment**

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed assets of income-generating units may not be recoverable. Indications include the recognition of an onerous lease provision in relation to specific income-generating units. If this or any other such indication exists, the recoverable amount is estimated and an appropriate impairment loss is recognised.

*Reversals of impairment*

An impairment loss is reversed where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**1.10 Employee benefits**

*Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

*Defined benefit plans*

The Group operates three pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the Group. The schemes have been closed to future benefit accrual for a number of years.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability/(asset) taking account of changes arising as a result of contributions and benefit payments.

## Notes to the Interim Condensed Consolidated Financial Statements (Continued)

### 1 Accounting policies (Continued)

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability or asset is recognised in the interim condensed consolidated statement of other comprehensive income.

#### *Long term incentive plans*

Share-based payment transactions in which the Company receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the entity's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised in profit or loss.

Other long term incentive plans are recognised at the best estimate of fair value spread across the time period in which the benefit is earned by the employee.

#### *1.11 Provisions*

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

#### *1.12 Turnover*

Turnover represents amounts charged to customers for goods, services and other income, stated net of value added tax, which is recognised based on the date the goods and services are received and the period over which the rental income is earned, and net of loyalty points earned and redeemed.

The cost of loyalty points is treated as a deduction from sales and part of the fair value of the consideration received is deferred and subsequently recognised over the period that the rewards are redeemed or expire. The fair value of the points awarded is determined with reference to the fair value to the customer.

**1 Accounting policies (Continued)**

**1.13 Expenses**

*Operating leases*

Rental costs under operating leases are charged to the profit and loss account over the period of the lease on a straight line basis. Certain leases contain inflation-driven rental uplifts with pre-determined minimums and the amount payable in respect of these uplifts is charged to the profit and loss account as it arises. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Provision is made for lease commitments on certain leasehold properties based on the expected exposure. The amount provided is based either on the future rental obligations net of risk adjusted anticipated operating profit from trading, discounted using a risk free discount rate, or management's best estimate of the expected exposure. Provision is made for the remaining period of the leases identified, subject to a maximum of 25 years, after which the directors consider the impact of discounting upon the rental and trading projections renders them immaterial.

*Finance leases*

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

*Exceptional items*

In order for items to be classified as exceptional in the financial statements, they must: be significant in value; relate to events outside the ordinary course of business; or be one-off or non-recurring.

*Pre-opening costs*

Operating costs incurred before a new cinema is opened are written off to the profit and loss account as incurred.

*Interest receivable and interest payable*

Interest payable and similar charges include interest payable and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**1.14 Taxation**

The charge for taxation is based on the projected profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

1 Accounting policies (Continued)

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

2 Segmental Analysis

The Group has two operating segments split by geographical location: UK & Ireland and Continental Europe.

<u>6 months ended 30 June 2016</u>	<u>UK &amp; Ireland</u>	<u>Continental Europe</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
<b>Revenue</b>	<b>184.9</b>	<b>182.4</b>	<b>367.3</b>
<b>Operating profit/(loss)</b>	<b>(11.1)</b>	<b>4.2</b>	<b>(6.9)</b>
Share of operating loss of JV			(0.2)
Net finance costs			(101.3)
Tax			(0.2)
<b>Loss after tax</b>			<b>(108.6)</b>
<u>6 months ended 30 June 2015</u>	<u>UK &amp; Ireland</u>	<u>Continental Europe</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Revenue	187.4	161.3	348.7
Operating profit	9.9	4.0	13.9
Share of operating loss of JV			(0.2)
Loss on disposal of properties			(0.2)
Net finance costs			(10.9)
Tax			1.2
<b>Profit after tax</b>			<b>3.8</b>

3 Exceptional Items

Included in profit/(loss) are the following:

	<u>6 months ended</u>	<u>6 months ended</u>
	<u>30 June 2016</u>	<u>30 June 2015</u>
	<u>£m</u>	<u>£m</u>
Exceptional Costs	9.2	0.8
Exceptional Income	—	(5.4)

*Exceptional Costs*

The exceptional costs in the period to 30 June 2016 related to restructuring and preparation for potential future transactions. The exceptional costs in the period to 30 June 2015 related to restructuring and property matters.



Notes to the Interim Condensed Consolidated Financial Statements (Continued)

3 Exceptional Items (Continued)

The tax effect of the exceptional costs in 2016 was a credit of £0.2m (2015:£0.1m).

Exceptional Income

There was no exceptional income in the six months to 30 June 2016. The income in the six months to 30 June 2015 related to a premium from a cinema landlord in exchange for granting an option to potentially terminate the lease.

The tax effect of the exceptional income in 2015 was a £1.0m charge.

4 Tangible fixed assets

	6 months ended 30 June 2016	Year ended 31 Dec 2015	6 months ended 30 June 2015
	£m	£m	£m
Net book value at the beginning of the period	418.6	450.2	450.2
Additions	13.5	36.7	15.4
Disposals	—	(4.9)	—
Depreciation charge for the period	(25.5)	(51.5)	(24.5)
Effect of movement in foreign exchange	21.5	(11.9)	(18.1)
Net book value at the end of the period	<u>428.1</u>	<u>418.6</u>	<u>423.0</u>

5 Interest-bearing loans and borrowings

	30 June 2016	31 Dec 2015	30 June 2015
	£m	£m	£m
<b>Falling due within one year</b>			
Bank loans	—	0.2	0.5
Finance lease liabilities	1.3	1.6	1.7
	<u>1.3</u>	<u>1.8</u>	<u>2.2</u>
<b>Falling due in more than one year</b>			
Senior secured loans (excluding issue costs)	465.8	447.4	442.8
Shareholder loan notes	600.4	536.3	500.3
Shareholder loans	0.3	0.5	0.5
Finance lease liabilities	3.7	3.6	4.3
	<u>1,070.2</u>	<u>987.8</u>	<u>947.9</u>
<b>Total</b>	<u>1,071.5</u>	<u>989.6</u>	<u>950.1</u>

6 Related parties

Identity of related parties with which the Group has transacted

Terra Firma Investments (GP) 2 Limited, acting as general partner of the limited partnerships which constitute the Terra Firma Capital Partners II Fund, Terra Firma Capital Partners II LP-H, TFPC II Co-Investment 2 LP and TFPC II Co-Investment 2A LP ("Terra Firma"), has the ability to

**Notes to the Interim Condensed Consolidated Financial Statements (Continued)**

**6 Related parties (Continued)**

exercise a controlling influence over the Company through the holding of shares in a parent of the Company. The directors therefore consider it to be a related party.

Monterey Capital III Sarl ("Monterey"), a company registered in Luxembourg, was the immediate parent of the Company at 31 December 2015, and the directors therefore consider it to be a related party.

The Group receives screen advertising services from Digital Cinema Media, a joint venture in which it has a 50% ownership interest.

*Other related party transactions*

	Income received		Finance (income)/expense	
	6 months ended 30 June 2016	6 months ended 30 June 2015	6 months ended 30 June 2016	6 months ended 30 June 2015
	£m	£m	£m	£m
Entities with control, joint control or significant influence over the Group	—	—	29.9	26.0
Entities over which Group has control, joint control or significant influence (subject to wholly owned exemption)	6.8	5.8	—	—
	<u>6.8</u>	<u>5.8</u>	<u>29.9</u>	<u>26.0</u>

	Receivables outstanding			Creditors outstanding		
	30 June 2016	31 Dec 2015	30 June 2015	30 June 2016	31 Dec 2015	30 June 2015
Entities with control, joint control or significant influence over the Group	—	—	—	600.7	536.8	500.8
Entities over which Group has control, joint control or significant influence (subject to wholly owned exemption)	1.7	4.1	1.9	—	—	—
Other related parties (subject to wholly owned exemption)	—	—	0.8	—	—	—
	<u>1.7</u>	<u>4.1</u>	<u>2.7</u>	<u>600.7</u>	<u>536.8</u>	<u>500.8</u>

**7 Subsequent events**

On 12 July 2016, AMC Theatres (AMC Entertainment Holdings, Inc.) announced that it had entered into a definitive agreement to acquire Odeon & UCI Cinemas Group from private equity firm Terra Firma. The transaction is expected to be completed in the fourth quarter of 2016; it is conditional upon antitrust clearance by the European Commission.

**8 Summary of the significant differences between UK GAAP and US GAAP**

The accompanying consolidated financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"), including FRS 102. Such practice differs in

**8 Summary of the significant differences between UK GAAP and US GAAP (Continued)**

certain respects from US Generally Accepted Accounting Principles ("US GAAP"). A summary of significant differences applicable to the Group is set out below:

**(a) Business combinations, intangible assets and goodwill**

Under previous UK GAAP, identifiable intangible assets were not required to be separately identified and recorded on a Company's balance sheet in connection with a business combination. Under US GAAP, identifiable intangible assets, such as tradenames and favourable / unfavourable leases are required to be separately identified and determined to be indefinite-lived or definite-lived assets.

Under UK GAAP, transaction expenses are capitalised as part of acquisition consideration. Under US GAAP acquisition-related costs are expensed in the period in which the costs are incurred.

**(b) Amortisation and impairment**

Under UK GAAP, goodwill is amortised, typically over a period of 20 years or less. Under US GAAP, goodwill is not amortised, but instead is tested at least annually for impairment or more frequently as events may trigger a need for an impairment analysis.

**(c) Leases**

*Onerous lease provisions*

Under UK GAAP, a liability equal to the present value of the obligation is recorded for leased properties that are still in use and expected to generate future losses. US GAAP prohibits the recognition of a liability for future losses until the entity terminates the contract or ceases to use the rights under the contract.

*Lease incentives*

Under UK GAAP, lease premiums received from the landlord in exchange for an option to terminate the lease at the landlord's discretion are expensed over the period until the lease termination option becomes exercisable, occasionally resulting in up front recognition of the full lease incentive payment. Under US GAAP, such lease premiums are expensed over the remaining non-cancellable term of the lease.

*Capital leases*

Under UK GAAP, a lease is classified as a finance lease if it transfers substantially all of the risks and rewards of ownership; otherwise, it is classified as an operating lease. Under US GAAP, a lessee classifies a lease as a capital lease if any one of four specified criteria is met; otherwise, it is an operating lease. Certain of the criteria contain bright-line tests that, if met, would require a lessee to classify a lease as a capital lease.

*Build to suit leases and sale-leaseback transactions*

UK GAAP does not contain specific guidance on accounting for arrangements where the lessee is involved in the construction of the leased asset and such leases may be treated as operating leases. Where it is determined under US GAAP that the lessee has substantially all of the construction period

**8 Summary of the significant differences between UK GAAP and US GAAP (Continued)**

risk, the lessee is considered to be the owner of the asset during construction and recognises an asset and liability related to the build-to-suit lease on its balance sheet. When construction is complete and the lease term begins, the lessee may only account for the deemed sale-leaseback transaction if certain conditions are met. A seller-lessee is precluded from accounting for the transaction as a sale when it has any continuing involvement. UK GAAP does not have similar sale-leaseback recognition criteria.

*Operating leases*

UK GAAP does not require fixed escalation clauses intended to represent expected general inflation to be reflected in the calculation of straight-line rent expense. Under US GAAP, operating lease costs, including fixed escalation clauses, are recognised on a straight line basis over the lease term.

**(d) Long-lived assets**

Under UK GAAP, reversals of impairments on long-lived assets are permitted but should not exceed the carrying amount that would have been determined had no impairment loss been recognized in the past. US GAAP does not allow for the reversal of a previously recognized impairment loss on a long-lived asset held and used.

**(e) Share-based compensation costs**

Under UK GAAP, share-based compensation expense is recognised for cash-settled awards with a non-market performance condition, such as an exit event, when it becomes more likely than not that the vesting condition will be satisfied. Under US GAAP, compensation cost related to awards with performance conditions based on change in control is only recognised when the event occurs.

**(f) Pensions**

Under UK GAAP, the net pension assets associated with an overfunded pension plan are generally not recognized on the face of the balance sheet. US GAAP requires the recognition of such pension assets on the balance sheet.

Under UK GAAP, actuarial losses or gains are recognised immediately through other comprehensive income during the year of occurrence. Under US GAAP, these are recognised in other comprehensive income and amortised through the income statement over the average life expectancy of inactive participants following the corridor approach, which allows the Company to defer amortization of actuarial losses or gains through the income statement based on specified thresholds.

**(g) Taxes**

UK GAAP requires an entity's measurement of the deferred tax impact on timing differences to reflect its expectation as to the manner in which it will recover an asset or settle a liability. US GAAP requires deferred tax to be measured based on an assumption that the underlying asset (liability) will be recovered (settled) in a manner consistent with its current use in the business.

Under UK GAAP, where an asset is acquired other than via a business combination and its tax base is lower than the consideration paid, the difference does not meet the definition of a timing difference and so no deferred tax is recognised. Under US GAAP, the amount recognised for the asset

**8 Summary of the significant differences between UK GAAP and US GAAP (Continued)**

acquired is grossed up and a deferred tax liability is established such that the overall impact on net assets is equal to the consideration paid.

Under UK GAAP deferred tax assets are only recognised to the extent realisation is probable. Under US GAAP deferred tax assets are recognised in full and a valuation allowance is separately recognised to the extent it is more likely than not that the deferred tax asset will not be realised.

**(h) Classification and presentation differences**

In addition to the differences between UK GAAP and US GAAP related to the recognition and measurement of transactions by the Company, there are also differences in the manner in which items are classified and presented in the Group's financial statements.

Under UK GAAP, exceptional items are required or expressly permitted to be disclosed by virtue of their size or incidence. Details of the exceptional items are set out in Note 4. Under US GAAP, items are not presented as exceptional, rather US GAAP requires the presentation of unusual or infrequently occurring items on the face of the financials or in the notes. In addition, UK GAAP permits the inclusion of non-GAAP measures on the face of the primary statements whereas US GAAP does not.

## QuickLinks

[Exhibit 99.2](#)

[Odeon and UCI Cinemas Holdings Limited Interim Condensed Consolidated Profit and Loss Accounts For the six months ended 30 June 2016](#)

[Odeon and UCI Cinemas Holdings Limited Interim Condensed Consolidated Statements of Other Comprehensive Income For the six months ended 30 June 2016](#)

[Odeon and UCI Cinemas Holdings Limited Interim Condensed Consolidated Balance Sheets At 30 June 2016](#)

[Odeon and UCI Cinemas Holdings Limited Interim Condensed Consolidated Statements of Changes in Equity For the six months ended 30 June 2016](#)

[Odeon and UCI Cinemas Holdings Limited Interim Condensed Consolidated Statements of Cash Flows For the six months ended 30 June 2016](#)

[Notes to the Interim Condensed Consolidated Financial Statements](#)

### UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial statements of AMC Entertainment Holdings, Inc. ("AMC" or the "Company") are presented to illustrate the estimated effects of (i) the pending acquisition of Odeon and UCI Cinemas Holdings Limited ("Odeon" or the "Odeon Acquisition"); (ii) the incurrence of \$535,000,000 aggregate principal amount of Senior Subordinated Notes due 2026 (the "Dollar Notes"), £300,000,000 aggregate principal amount of Senior Subordinated Notes due 2024 (the "Sterling Notes") and \$500,000,000 aggregate principal amount of incremental term loans and; (iii) the issuance of £125,000,000 (\$166,000,000) of the Company's Class A Common Stock in a private placement for the Odeon Acquisition (clauses (ii) and (iii) referred to as the "Financings"). The pro forma financial information is based in part on certain assumptions regarding the foregoing transactions that the Company believes are factually supportable and expected to have a continuing impact on our consolidated results. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2015, for the six months ended June 30, 2016 and for the six months ended June 30, 2015, combine the historical consolidated statements of operations of the Company and Odeon, giving effect to the Odeon Acquisition and the Financings as if they had been completed on January 1, 2015. The unaudited pro forma condensed combined balance sheet as of June 30, 2016, combines the historical consolidated balance sheets of Odeon and the Company, giving effect to the Odeon Acquisition and the Financings as if they had occurred on June 30, 2016. The historical consolidated financial information for Odeon has been adjusted to comply with generally accepted accounting principles in the United States ("GAAP"). The classification of certain items presented by Odeon under U.K. GAAP has been modified in order to align with the presentation used by the Company under GAAP. In addition to the GAAP adjustments and the reclassifications, amounts have also been translated to USD. The unaudited pro forma condensed combined financial statements should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements. In addition, the unaudited pro forma condensed combined financial information was based on, and should be read in conjunction with, the following historical consolidated financial statements and accompanying notes and Form 8-K for the Odeon Acquisition:

- The Company's Current Report on Form 8-K filed on July 13, 2016, including exhibits thereto, which describes the proposed Odeon Acquisition;
- Audited Consolidated financial statements of the Company as of and for the year ended December 31, 2015, which are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015;
- Audited consolidated financial statements of Odeon audited under generally accepted auditing standards in the United States ("U.S. GAAS") and prepared following generally accepted accounting practice in the United Kingdom ("U.K. GAAP") as of and for the year ended December 31, 2015, which are included herein;
- The section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the year ended December 31, 2015;
- Unaudited consolidated financial statements of the Company as of and for the six months ended June 30, 2016 and six months ended June 30, 2015, which are included in the Company's Quarterly Report on Form 10-Q for the six months ended June 30, 2016;
- Unaudited consolidated financial statements of Odeon prepared following U.K. GAAP as of and for the six months ended June 30, 2016 and for the six months ended June 30, 2015, which are included herein; and

- The section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Quarterly Report on Form 10-Q for the six months ended June 30, 2016.

The unaudited pro forma condensed combined financial statements have been prepared by the Company, as the acquirer, using the acquisition method of accounting in accordance with U.S. GAAP. The acquisition method of accounting is dependent upon certain valuation and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. Before the Odeon Acquisition is completed, there are limitations regarding what the Company can learn about Odeon. The assets and liabilities of Odeon have been measured based on various preliminary estimates using assumptions that the Company believes are reasonable based on information that is currently available. The Company has not yet determined fair value of property, net, intangibles or capital and financing lease obligations acquired; therefore the carrying value has been used in the preliminary purchase price allocation and in the pro forma financial statements. The preliminary purchase price allocation for Odeon is subject to revision as a more detailed analysis is completed and additional information on the fair value of Odeon's assets and liabilities becomes available. The final allocation of the purchase price, which will be based upon actual tangible and intangible assets acquired as well as liabilities assumed, will be determined after the completion of the Odeon Acquisition, and could differ materially from the unaudited pro forma condensed combined financial statements presented here. Any change in the fair value of the net assets of Odeon will change the amount of the purchase price allocable to goodwill. Additionally, differences in the anticipated closing date of December 31, 2016 through the date the Odeon Acquisition is completed and changes in currency translation rates, will change the amount of goodwill recorded for the Odeon Acquisition and the actual number of shares issued for the Odeon Acquisition. The pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial statements prepared in accordance with the rules and regulations of the SEC.

The unaudited pro forma condensed combined financial statements make certain assumptions regarding the amount and terms, including assumed pricing of common stock to be put into place in connection with the Odeon Acquisition as further described in Note 4 Purchase Price.

The unaudited pro forma condensed combined financial information has been presented for information purposes only. The unaudited pro forma condensed combined financial information does not purport to represent the actual results of operations that the Company and Odeon would have achieved had the companies been combined during the periods presented in the unaudited pro forma condensed combined financial statements and is not intended to project the future results of operations that the combined company may achieve after the Odeon Acquisition. The unaudited pro forma condensed combined financial information does not reflect any potential cost savings that may be realized as a result of the Odeon Acquisition and also does not reflect any restructuring or integration-related costs to achieve those potential cost savings. No historical transactions between Odeon and the Company during the periods presented in the unaudited pro forma condensed combined financial statements have been identified at this time.



**AMC ENTERTAINMENT HOLDINGS, INC.**  
**UNAUDITED CONDENSED COMBINED PRO FORMA BALANCE SHEET**  
**AS OF JUNE 30, 2016**  
**(DOLLARS IN THOUSANDS)**

	AMC Historical	Odeon Historical (Note 2)	Odeon Pro Forma Adjustments (Note 6)		AMC Pro Forma for the Odeon Acquisition
<b>Assets</b>					
Cash and equivalents	\$ 93,316	\$ 35,967	\$ 225,424	(a)	\$ 354,707
Current assets	162,156	79,134	—		241,290
Property, net	1,447,997	860,305	—	(g)	2,308,302
Intangible assets, net	233,329	55,430	—	(g)	288,759
Goodwill	2,410,713	215,953	(215,953)	(b)	3,316,925
			906,212	(b)	
Other long-term assets	601,030	53,258	—		654,288
Total assets	<u>\$ 4,948,541</u>	<u>\$ 1,300,047</u>	<u>\$ 915,683</u>		<u>\$ 7,164,271</u>
<b>Liabilities and Stockholders' Equity</b>					
Current liabilities	\$ 601,166	\$ 227,236	\$ (3,545)	(h)	\$ 813,002
			(1,457)	(h)	
			(10,398)	(h)	
Current Maturities:					
Corporate Borrowings and Capital and Financing Lease Obligations	19,196	20,603	—		39,799
Corporate borrowings:					
5.75% Senior Subordinated Notes due 2025	589,810	—	—		589,810
Senior Subordinated Notes due 2026	—	—	535,000	(a)	516,725
			(18,725)	(c)	
Senior Subordinated GBP Notes due 2024	—	—	397,260	(a)	383,356
			(13,904)	(c)	
5.875% Senior Subordinated Notes due 2022	369,569	—	—		369,569
Senior Secured Term Loan Facility due 2022	861,230	—	500,000	(a)	1,349,980
			(11,250)	(c)	
Revolving Credit Facility due 2020	—	—	—		—
9% Senior Secured Note GBP due 2018	—	392,874	13,126	(e)	—
			(406,000)	(a)	
Floating Rate Senior Secured Note EUR due 2018	—	217,337	4,663	(e)	—
			(222,000)	(a)	
10.89% Shareholder Loans due 2019	—	795,426	(795,426)	(f)	—
5% Promissory Note Payable NCM due 2019	4,166	—	—		4,166
Capital and financing lease obligations	88,664	290,449	—	(g)	379,113
Other long-term liabilities	860,814	253,028	(30,835)	(h)	1,019,232
			(17,887)	(h)	
			(45,888)	(h)	
Total liabilities	<u>3,394,615</u>	<u>2,196,953</u>	<u>(127,266)</u>		<u>5,464,302</u>
Class A Common Stock	<u>1,080</u>	<u>—</u>	<u>—</u>		<u>1,080</u>
<b>Stockholders' Equity</b>					
Class A Common Stock	215	—	—		215
Class B Common Stock	758	—	—		758
Additional paid-in capital	1,185,539	—	166,000	(a)	1,351,539
Treasury Stock	(680)	—	—		(680)
Accumulated other comprehensive income	1,596	—	—		1,596
Accumulated earnings (deficit)	365,418	(896,906)	896,906	(d)	345,461
			—		
			\$ (19,957)	(c)	
Total stockholders' equity	<u>1,552,846</u>	<u>(896,906)</u>	<u>1,042,949</u>		<u>1,698,889</u>
Total liabilities and Stockholders' Equity	<u>\$ 4,948,541</u>	<u>\$ 1,300,047</u>	<u>\$ 915,683</u>		<u>\$ 7,164,271</u>

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

**AMC ENTERTAINMENT HOLDINGS, INC.**  
**UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2015**  
(dollars in thousands, except per share data)

	AMC Historical	Odeon Historical Note (3)	Odeon Pro Forma Adjustments Note (6)		AMC Pro Forma for the Odeon Acquisition
Revenues	\$ 2,946,900	\$ 1,141,963	—		\$ 4,088,863
Cost of operations	1,945,748	753,518	—		2,699,266
Rent	467,822	136,312	1,669	(l)	609,442
			3,639	(l)	
			—		
General and administrative:					
Merger, acquisition and transaction costs	3,398	8,432	—	(j)	7,040
			(4,790)	(j)	
Other	58,212	44,854	—		103,066
Depreciation and amortization	232,961	95,525	—		328,486
					—
Impairment of long-lived assets	1,702	8,275			9,977
Operating costs and expenses	2,709,843	1,046,916	518		3,757,277
Operating income	237,057	95,047	(518)		331,586
Other expense (income)	10,684	(38,734)	8,447	(l)	(19,603)
Interest expense	106,088	177,959	(141,577)	(i)	227,955
			80,132	(i)	
			5,353	(i)	
Equity in earnings of non-consolidated entities	(37,131)	(109)	—		(37,240)
Investment income	(6,115)	—	—		(6,115)
Total other expense	73,526	139,116	(47,645)		164,997
Earnings (loss) before income taxes	163,531	(44,069)	47,127		166,589
Income tax provision	59,675	1,214	(33,339)	(k)	27,550
Net earnings (loss)	\$ 103,856	\$ (45,283)	\$ 80,466		\$ 139,039
Basic earnings per share	\$ 1.06				\$ 1.34
Average shares outstanding—Basic	97,963		6,021	Note (4)	103,984
Diluted earnings per share	\$ 1.06				\$ 1.34
Average shares outstanding—Diluted	98,029		6,021	Note (4)	104,050

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

**AMC ENTERTAINMENT HOLDINGS, INC.**  
**UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS**  
**SIX MONTHS ENDED JUNE 30, 2016**  
(dollars in thousands, except per share data)

	AMC Historical	Odeon Historical Note (3)	Odeon Pro Forma Adjustments Note (6)		AMC Pro Forma for the Odeon Acquisition
Revenues	\$ 1,529,979	\$ 526,182	—		\$ 2,056,161
Cost of operations	995,698	361,508	—		1,357,206
Rent	247,403	66,647	1,983	(l)	318,196
			2,163	(l)	
			—		
General and administrative:					
Merger, acquisition and transaction costs	10,152	9,595	(3,778)	(j)	6,614
			(9,355)	(j)	
Other	39,150	24,257	—		63,407
Depreciation and amortization	122,721	45,915	—		168,636
Impairment of long-lived assets	—	158	—		158
Operating costs and expenses	1,415,124	508,080	(8,987)		1,914,217
Operating income	114,855	18,102	8,987		141,944
Other expense (income)	(84)	74,499	1,614	(l)	76,029
Interest expense	54,097	90,169	(72,327)	(i)	113,733
			39,168	(i)	
			2,626	(i)	
Equity in (earnings) loss of non-consolidated entities	(16,113)	345	—		(15,768)
Investment income	(9,778)	—	—		(9,778)
Total other expense	28,122	165,013	(28,919)		164,216
Earnings (loss) before income taxes	86,733	(146,911)	37,906		(22,272)
Income tax provision (benefit)	34,475	(663)	(14,826)	(k)	18,986
Net earnings (loss)	\$ 52,258	\$ (146,248)	\$ 52,732		\$ (41,258)
Basic earnings per share	\$ 0.53				\$ (0.40)
Average shares outstanding—Basic	98,197		6,021	Note (4)	104,218
Diluted earnings per share	\$ 0.53				\$ (0.40)
Average shares outstanding—Diluted	98,237		6,021	Note (4)	104,258

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

**AMC ENTERTAINMENT HOLDINGS, INC.**  
**UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS**  
**SIX MONTHS ENDED JUNE 30, 2015**  
(dollars in thousands, except per share data)

	AMC Historical	Odeon Historical Note (3)	Odeon Pro Forma Adjustments Note (6)		AMC Pro Forma for the Odeon Acquisition
Revenues	\$ 1,474,203	\$ 531,219	—		\$ 2,005,422
Cost of operations	975,491	366,052	—		1,341,543
Rent	232,943	67,398	218	(l)	302,372
			1,813	(l)	
			—		
General and administrative:					
Merger, acquisition and transaction costs	1,839	1,225	—	(j)	3,064
			—	(j)	
Other	22,678	20,139	—		42,817
Depreciation and amortization	115,026	47,742	—		162,768
Impairment of long-lived assets	—	—	—		—
Operating costs and expenses	1,347,977	502,556	2,031		1,852,564
Operating income	126,226	28,663	(2,031)		152,858
Other expense (income)	9,273	(61,446)	1,549	(l)	(50,624)
Interest expense	55,500	91,099	(72,508)	(i)	116,785
			40,020	(i)	
			2,674	(i)	
Equity in (earnings) loss of non-consolidated entities	(10,686)	462	—		(10,224)
Investment income	(5,202)	—	—		(5,202)
Total other expense	48,885	30,115	(28,265)		50,735
Earnings (loss) before income taxes	77,341	(1,452)	26,234		102,123
Income tax provision (benefit)	27,280	(1,927)	(16,651)	(k)	8,702
Net earnings (loss)	\$ 50,061	\$ 475	\$ 42,885		\$ 93,421
Basic earnings per share	\$ 0.51				\$ 0.90
Average shares outstanding—Basic	97,949		6,021	Note (4)	103,970
Diluted earnings per share	\$ 0.51				\$ 0.90
Average shares outstanding—Diluted	97,987		6,021	Note (4)	104,008

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

## 1. Description of the transactions and basis of pro forma presentation

### Odeon Acquisition

In July 2016, we announced an offer to purchase all of the issued and to be issued share capital of Odeon and UCI Cinemas Holdings Limited ("Odeon" or the "Odeon Acquisition"). Under the original terms of the Odeon Acquisition, Odeon shareholders will receive £389,000,000 (\$515,000,000) in cash and new shares of the Company's Class A Common Stock with a value of £125,000,000 (\$166,000,000). The Odeon Acquisition is equal to a total value of approximately £514,000,000 (\$681,000,000) for Odeon's entire issued and to be issued capital assuming the transaction closed on June 30, 2016 and a currency translation rate of 1.3242 on June 30, 2016. Based on these assumptions, \$515,000,000 will be paid in cash to Odeon shareholders and 6,021,000 new shares will be issued to Odeon shareholders on the acquisition date. We have agreed to file a registration statement to allow Odeon shareholders to resell their shares at specified times after closing and has granted certain other piggy-back registration rights. The estimated transaction value of £514,000,000 assumes a closing date of December 31, 2016 and includes interest from the locked box date of December 31, 2015 at 5.9617% through December 31, 2016 of approximately £28,900,000.

Odeon operates 242 theatres and 2,236 screens in 7 countries (UK, Ireland, Italy, Spain, Austria, Portugal and Germany). The Company anticipates completing the Odeon Acquisition in the fourth quarter of 2016, subject to satisfaction of closing conditions. The acquisition is subject to European Commission approval.

The unaudited pro forma condensed combined balance sheet as of June 30, 2016, was prepared by combining the historical unaudited condensed consolidated balance sheet data as of June 30, 2016 for each of the Company and Odeon (as adjusted to comply with GAAP) as if the Odeon Acquisition and the Financings (see Note 5) had been consummated on that date. In addition to certain GAAP adjustments, certain balance sheet reclassifications have also been reflected in order to conform Odeon's balance sheet to the Company's balance sheet presentation. Refer to Note 2 for a discussion of these GAAP and reclassification adjustments.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2015 and for the six months ended June 30, 2016 and 2015 combines the results of operations of the Company and Odeon (as adjusted to comply with GAAP) as if the Odeon Acquisition and the Financings (see Note 5) had been consummated on January 1, 2015. In addition to certain GAAP adjustments, certain statements of operations reclassifications have also been reflected in order to conform the Company's statement of operations presentation. Refer to Note 3 for a discussion of these GAAP and reclassification adjustments.

The historical consolidated financial information has been adjusted in the accompanying unaudited pro forma condensed combined financial information to give effect to pro forma events that are (i) directly attributable to the acquisitions, (ii) factually supportable, and (iii) with respect to the unaudited pro forma condensed combined statements of operations, expected to have a continuing impact on the consolidated results.

The acquisition method of accounting, based on ASC 805, uses the fair value concepts defined in ASC 820, "Fair Value Measurement" (ASC 820). Fair value is defined in ASC 820 as the "price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." This is an exit price concept for the valuation of an asset or liability. Market participants are assumed to be buyers or sellers in the most advantageous market for the asset or liability. Fair value measurement for an asset assumes the highest and best use by these market participants, and as a result, assets may be required to be recorded which are not intended to be used or sold and/or to value assets at a fair value measurement that do not reflect management's intended use for those assets. Fair value measurements can be highly subjective and it is

possible the application of reasonable judgment could develop different assumptions resulting in a range of alternative estimates using the same facts and circumstances.

ASC 820 requires, among other things, that assets acquired and liabilities assumed in a business combination be recognized at fair value as of the acquisition date. As of the date of this filing the accompanying unaudited pro forma purchase price allocation is preliminary and is subject to further adjustments as additional information becomes available and as additional analyses are performed. The Company has not yet determined fair value of property, net intangibles or capital and financing leases acquired; therefore the carrying value has been used in the preliminary purchase price allocation and in the unaudited pro forma condensed combined financial statements.

## **2. Odeon Balance Sheet**

Odeon's condensed consolidated financial statements were prepared for the purpose of the reporting requirements of Rule 3-05 of Regulation S-X and in accordance with the accounting and disclosure requirements of FRS 102, The Financial Reporting Standard applicable in the UK and Ireland ("FRS 102"), which differs in certain respects from GAAP. The following schedule summarizes the necessary material adjustments to conform Odeon's condensed consolidated balance sheet as of June 30, 2016 to GAAP and USD (in thousands) and accounting policies and classification of certain items presented by Odeon under U.K. GAAP have been modified in order to align with the presentation used by the Company for its accounting policies and classification under GAAP (in thousands):

Odeon's balance sheet has been translated into the Company's reporting currency, U.S. dollars, at a rate of GBP 1.00= USD 1.3242, the exchange rate as of June 30, 2016.

**BALANCE SHEET  
AS OF JUNE 30, 2016**

	Local Currency—GBP			USD	
	Odeon Pro Forma Reclassified Amounts Presented	Odeon U.S. GAAP Adjustments		Odeon Historical U.S. GAAP	Odeon Historical U.S. GAAP
<b>Assets</b>					
Cash and equivalents	£ 27,161	£ —		£ 27,161	\$ 35,967
Current assets	59,760	—		59,760	79,134
Property, net	424,095	200,338	(i)(f)	649,679	860,305
		(5,379)	(i)(e)		
		11,625	(i)(k)		
		19,000	(i)(l)		
Intangible assets, net	—	1,359	(i)(j)	41,859	55,430
		40,500	(i)(j)		
Goodwill	126,136	(77,679)	(i)(f)	163,082	215,953
		104,440	(i)(d)		
		(96,562)	(i)(a)		
		7,747	(i)(j)		
		99,000	(i)(l)		
Other long-term assets	23,052	17,167	(i)(h)	40,219	53,258
Total assets	<u>£ 660,204</u>	<u>£ 321,556</u>		<u>£ 981,760</u>	<u>\$ 1,300,047</u>
<b>Liabilities and Stockholders' Deficit</b>					
Current liabilities	£ 177,292	(9,466)	(i)(g)	£ 171,603	\$ 227,236
		1,100	(i)(i)		
		2,677	(i)(c)		
Current Maturities:					
Corporate Borrowings and Capital and Financing Lease Obligations	1,349	14,210	(i)(f)	15,559	20,603
Corporate borrowings:					
9% Senior Secured Note GBP due 2018	296,688			296,688	392,874
Floating Rate Senior Secured Note EUR due 2018	164,127			164,127	217,337
10.89% Shareholder Loans due 2019	600,684	—		600,684	795,426
Capital and financing lease obligations	3,699	204,015	(i)(f)	219,339	290,449
		11,625	(i)(k)		
Other long-term liabilities	123,098	(33,257)	(i)(a)	191,080	253,028
		9,203	(i)(b)		
		13,773	(i)(c)		
		34,805	(i)(i)		
		25,058	(i)(j)		
		18,400	(i)(l)		
Total liabilities	<u>1,366,937</u>	<u>292,143</u>		<u>1,659,080</u>	<u>2,196,953</u>
Stockholders' Deficit	(706,733)	89	(i)(h)	(677,320)	(896,906)
		(51)	(i)(h)		
		17,129	(i)(h)		
		(24,845)	(i)(a)		
		(39,978)	(i)(a)		
		1,518	(i)(a)		
		(10,103)	(i)(f)		
		(85,464)	(i)(f)		
		(2,909)	(i)(b)		
		(6,294)	(i)(b)		
		(12,874)	(i)(c)		
		(3,576)	(i)(c)		
		17,599	(i)(d)		
		979	(i)(d)		
		85,862	(i)(d)		
		9,466	(i)(g)		
		(2,654)	(i)(e)		
		(2,724)	(i)(e)		
		3,478	(i)(i)		
		(39,383)	(i)(i)		
		5,631	(i)(j)		
		18,917	(i)(j)		
		(800)	(i)(l)		
		100,400	(i)(l)		
Total liabilities and Stockholders' Deficit	<u>£ 660,204</u>	<u>£ 321,556</u>		<u>£ 981,760</u>	<u>\$ 1,300,047</u>

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

(i) The adjustments presented above to Odeon's balance sheet related to:

(a) Under U.K. GAAP Odeon maintains a liability for leased properties still in use that are expected to generate losses in the future. Under GAAP, a liability cannot be recorded for losses related to contractual lease obligations until the cease use date has occurred. Odeon reduces the onerous lease provision when performance improves for properties previously forecast to generate cash losses. The Company has made the following adjustments related to the removal of the onerous lease provision and liability following GAAP:

	As of <u>June 30, 2016</u>
Remove onerous lease liability	£ (33,257)
Reduce goodwill	(96,562)
Record increase to accumulated deficit subsequent to January 1, 2015	(24,845)
Record increase to accumulated deficit prior to January 1, 2015	(39,978)
Record increase to accumulated other comprehensive income	1,518

(b) Under U.K. GAAP, fixed increases in rental payments that are meant to approximate the rate of inflation are not included in the calculation of straight-line rent expense but would be included under GAAP. The Company has made the following adjustment to include the estimated deferred rent expense and liability for operating leases as follows:

	As of <u>June 30, 2016</u>
Record liability for deferred rent expense	£ 9,203
Record increase to accumulated deficit subsequent to January 1, 2015	(2,909)
Record increase to accumulated deficit prior to January 1, 2015	(6,294)

(c) Odeon occasionally receives premium payments from landlords that provide the landlord with the right to terminate the lease at the discretion of the landlord. Historically Odeon has recognized such payments in the year of payment. Under GAAP, such payments would generally be considered the same as incentives from a landlord and would be deferred over the period from receipt of the payment over the remainder of the expected lease term. The Company has made the following adjustments to defer the amounts received from landlords for operating leases:

	As of <u>June 30, 2016</u>
Record long-term portion of liability for landlord benefits	£ 13,773
Record short-term portion of liability	2,677
Record increase to accumulated deficit subsequent to January 1, 2015	(12,874)
Record increase to accumulated deficit prior to January 1, 2015	(3,576)

(d) Goodwill is amortized under U.K. GAAP but is not amortized under GAAP. Transaction expenses are capitalized as part of acquisition consideration under U.K. GAAP. The Company has made the following adjustment to reinstate goodwill for amounts amortized under U.K. GAAP and to reverse the capitalization of transaction expenses as follows:

	As of <u>June 30, 2016</u>
Reinstate goodwill	£ 104,440
Record decrease to accumulated deficit subsequent to January 1, 2015	17,599
Record increase to accumulated other comprehensive income	979
Record decrease to accumulated deficit prior to January 1, 2015	85,862



(e) Under U.K. GAAP impairment charges recorded previously can be reversed. However, under GAAP, impairment charges recorded in prior periods are not reversed in future periods. The Company has made the following adjustments related to reversing previously recorded impairment charges and to reverse depreciation on these long-lived assets under U.K. GAAP as follows:

	<u>As of</u> <u>June 30, 2016</u>
Property, net	£ (5,379)
Record increase to accumulated deficit subsequent to January 1, 2015	(2,654)
Record increase to accumulated deficit prior to January 1, 2015	(2,724)

(f) Reflects the adjustment to account for certain build-to-suit and capital leases. Build-to-suit leases are treated as financing transactions under GAAP when the lessee is involved in the construction of the leased assets. Odeon had significant continuing involvement in relation to the leased properties upon completion of their construction activities and, accordingly, the lease arrangements failed the sale and leaseback test. Under U.K. GAAP, these leases were treated as operating leases. This results in the recognition of the leased assets at their net book value, a related finance liability and a corresponding goodwill adjustment under GAAP for leases acquired in business combinations. The Company has made the following adjustments related to these capital and financing leases following GAAP:

	<u>As of</u> <u>June 30, 2016</u>
Record build to suit and capital lease assets	£ 200,338
Record short-term capital and finance lease obligation	14,210
Record long-term capital and finance lease obligation	204,015
Adjust Goodwill	(77,679)
Record increase to accumulated deficit subsequent to January 1, 2015	(10,103)
Record increase to accumulated deficit prior to January 1, 2015	(85,464)

(g) Represents adjustments for share based compensation expense related to Odeon's senior long-term incentive program ("Senior LTIP") that is contingent upon the consummation of the Odeon Acquisition. Under GAAP recognition of share based compensation expense that is contingent on the consummation of a transaction is deferred until the transaction is consummated.

	<u>As of</u> <u>June 30, 2016</u>
Remove liability for LTIP	£ (9,466)
Record decrease to accumulated deficit subsequent to January 1, 2015	9,466

(h) Following pension accounting rules under U.K. GAAP, the net pension assets associated with an overfunded pension plan are generally not recognized on the balance sheet. However, such pension assets are recognized under GAAP. The Company has made the following adjustment to recognize the net pension asset following GAAP:

	<u>As of</u> <u>June 30, 2016</u>
Record net pension asset	£ 17,167
Record decrease to accumulated deficit subsequent to January 1, 2015	89
Record increase to accumulated deficit prior to January 1, 2015	(51)
Record increase to accumulated other comprehensive income	17,129

(i) Under GAAP and following the variable interest consolidation model, certain entities required consolidation in the historical accounts that did not require consolidation under U.K. GAAP. In addition, under GAAP gains from sale leaseback transactions are typically deferred over the term of the lease. The following adjustments represent the impact of consolidating the variable interest entities, the subsidiaries of Odeon Property Group LLP (the "PropCos"), and the impact of deferring gains from historic sale leaseback transactions related to the PropCos under GAAP.

	<u>As of</u> <u>June 30, 2016</u>
Record PropCo current liabilities	£ 1,100
Record PropCo deferred gain	34,805
Record PropCo decrease to accumulated deficit subsequent to January 1, 2015	3,478
Record PropCo increase to accumulated deficit prior to January 1, 2015	(39,383)

(j) Under U.K. GAAP, identifiable intangible assets and liabilities are not required to be separately identified and recorded on an entity's balance sheet in connection with a business combination. Under GAAP, identifiable intangible assets and liabilities such as favorable and unfavorable leases and tradenames are required to be separately identified and determined to be indefinite-lived or definite lived intangible assets or liabilities. The following adjustments record the balances for identified tradenames, favorable lease assets and unfavorable lease liabilities under GAAP.

	<u>As of</u> <u>June 30, 2016</u>
Record favorable lease asset definite lived intangible	£ 1,359
Record tradename indefinite lived intangible	40,500
Record adjustment to Goodwill	7,747
Record unfavorable lease liability definite lived intangible	25,058
Record decrease to accumulated deficit subsequent to January 1, 2015	5,631
Record decrease to accumulated deficit prior to January 1, 2015	18,917

(k) Under GAAP, construction in progress for locations recorded as financing leases in (f) above are recorded as increases to property and the related financing lease obligation.

	<u>As of</u> <u>June 30, 2016</u>
Record property	£ 11,625
Record financing lease obligation	11,625

(l) Timing differences arising historically in Odeon did not result in significant deferred tax assets or liabilities recorded on the balance sheet in respect of foreign jurisdictions due to the availability of off balance sheet deferred tax assets, including net operating loss carryforwards. Consequently, GAAP adjustments do not result in significant additional deferred tax assets or liabilities. Odeon has made a GAAP policy election not to include any tax basis in the reported position for certain leasehold assets in the UK and Ireland where its tax basis declines or 'wastes' over time. As a result, an adjustment is required to increase the reported deferred tax liability for

these territories and record associated increases in the carrying value of the assets themselves, or goodwill for those assets acquired via business combinations.

	As of
	<u>June 30, 2016</u>
Record fixed assets	£ 19,000
Record goodwill	99,000
Record deferred tax liability	18,400
Record increase to accumulated deficit subsequent to January 1, 2015	(800)
Record decrease to accumulated deficit prior to January 1, 2015	100,400

#### **Summary of Reclassification Adjustments for Odeon**

The classification of certain items presented by Odeon under U.K. GAAP has been modified in order to align with the presentation used by the Company under GAAP as shown below. The reclassification adjustments to the Balance Sheet as of June 30, 2016 relate to the structure of the Consolidated Balance Sheet for Odeon following its policies under U.K. GAAP which utilize different naming and aggregation standards than the Company's presentation following its policies under GAAP and separately identifies items such as goodwill as intangible assets. The reclassification adjustments to conform Odeon's historical financial statement presentation to the Company's historical financial statement presentation have also been condensed to conform with the amounts presented in the unaudited pro forma condensed combined financial statement presentations included herein. There have been no changes in total stockholders' deficit as a result of these reclassifications.

**Odeon**  
**Summary of pro forma reclassification adjustment for Odeon—Balance sheet**  
**As of June 30, 2016**

	UK GAAP			Pro Forma Reclassified Amounts Presented (in £)
	Odeon Historical Presentation (in £)	Reclassification Adjustments to conform to AMC Presentation (in £)	Reclassified amounts (in £)	
(in thousands)				
<i>As of June 30, 2016</i>				
Intangible assets	126,136	(126,136)	—	
<b>Goodwill</b>	—	126,136	126,136	<b>126,136</b>
Tangible assets	428,080	(428,080)	—	
<b>Property, net</b>		424,095	424,095	<b>424,095</b>
Investments in joint ventures	848	(848)	—	
Other long-term assets		14,986	14,986	
Deferred charges on revolving credit facility		539	539	
Deferred tax asset		6,716	6,716	
Long-term: Receivables, net		811	811	
<b>Other Long-Term Assets</b>				<b>23,052</b>
Stocks	7,258	(7,258)	—	
Other current assets	—	7,258	7,258	
Debtors due within one year	52,502	(52,502)	—	
Short-term: Receivables, net		21,118	21,118	
Other current assets		31,384	31,384	
<b>Current Assets</b>				<b>59,760</b>
Debtors due after more than one year	17,680	(17,680)	—	
Cash at bank and in hand	27,161	(27,161)	—	
<b>Cash and Equivalents</b>		27,161	27,161	<b>27,161</b>
Creditors: amounts falling due within one year	178,641	(178,641)	—	
Short-term: Accounts payable		46,920	46,920	
Short-term: Accrued expenses and other liabilities		115,617	115,617	
Deferred revenues and income		14,755	14,755	
<b>Current liabilities</b>				<b>177,292</b>
<b>Current maturities of corporate borrowings and capital and financing lease obligations</b>		1,349	1,349	<b>1,349</b>
Creditors: amounts falling due after more than one year	1,145,981	(1,145,981)	—	
<b>9% Senior Secured Note GBP due 2018</b>		296,688	296,688	<b>296,688</b>
<b>Floating Rate Senior Secured Note EUR due 2018</b>		164,127	164,127	<b>164,127</b>
<b>10.89% Shareholder Loans due 2019</b>		600,684	600,684	<b>600,684</b>
<b>Capital and financing lease obligations</b>		3,699	3,699	<b>3,699</b>
Other long term liabilities		117,803	117,803	
Deferred tax liability	5,295	—	5,295	
Provisions	35,151	(35,151)	—	
Pensions and similar obligations	1,330	(1,330)	—	
<b>Other long-term liabilities</b>				<b>123,098</b>
called up share capital	120,645	—	120,645	
Other reserves	(10,353)	10,353	—	
Additional Paid-In Capital		(10,353)	(10,353)	
Profit and loss account	(817,025)	16,721	(800,304)	
Accumulated Other Comprehensive Income		(16,721)	(16,721)	
<b>Stockholders' Deficit</b>				<b>(706,733)</b>

### 3. Odeon's Statements of Operations

Odeon's condensed consolidated financial statements were prepared for the purpose of the reporting requirements of Rule 3-05 of Regulation S-X and in accordance with FRS 102. The following schedule summarizes the necessary material adjustments to the Odeon condensed consolidated statements of operations for the year ended December 31, 2015, the six months ended June 30, 2016 and the six months ended June 30, 2015 to conform to GAAP and to record the results in the reporting currency of the Company, dollars (in thousands), and the accounting policies and classification of certain items presented by Odeon under U.K. GAAP for the year ended December 31, 2015 and the six months ended June 30, 2016 have been modified in order to align with the presentation used by the Company for its accounting policies and classifications under GAAP (in thousands):

**STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED  
DECEMBER 31, 2015**

	Local Currency—GBP			USD	
	Odeon Pro Forma Reclassified Amounts Presented	Odeon U.S. GAAP Adjustments		Odeon Historical U.S. GAAP	Odeon Historical U.S. GAAP
Revenues	£747,164	£ —		£747,164	\$ 1,141,963
Cost of operations	493,012	—		493,012	753,518
Rent	87,676	24,994	(ii)(a)	89,186	136,312
		1,982	(ii)(b)		
		14,876	(ii)(c)		
		(36,186)	(ii)(f)		
		(4,156)	(ii)(j)		
General and administrative:					
Merger, acquisition and transaction costs	5,517	—		5,517	8,432
Other	36,144	(6,980)	(ii)(g)	29,347	44,854
		(517)	(ii)(h)		
		700	(ii)(i)		
Depreciation and amortization	54,134	(11,604)	(ii)(d)	62,500	95,525
		(316)	(ii)(e)		
		18,877	(ii)(f)		
		409	(ii)(j)		
		1,000	(ii)(k)		
Impairment of long-lived assets	2,156	3,258	(ii)(e)	5,414	8,275
Operating costs and expenses	678,639	6,337		684,976	1,046,916
Operating income	68,525	(6,337)		62,188	95,047
Other expense (income)	(22,693)	(3,026)	(ii)(i)	(25,343)	(38,734)
		376	(ii)(h)		
Interest expense	95,278	23,804	(ii)(f)	116,435	177,959
		(2,647)	(ii)(a)		
		—	(ii)(h)		
Equity in earnings of non-consolidated entities	(71)	—		(71)	(109)
Investment income	—	—		—	—
Total other expense	72,514	18,507		91,021	139,116
Earnings before income taxes	(3,989)	(24,844)		(28,833)	(44,069)
Income tax provision	894	(100)	(ii)(k)	794	1,214
Net loss	£ (4,883)	£(24,744)		£ (29,627)	\$ (45,283)

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

**STATEMENT OF OPERATIONS  
FOR THE SIX MONTHS ENDED  
JUNE 30, 2016**

	Local Currency—GBP			USD
	Odeon Pro Forma Reclassified Amounts Presented	Odeon U.S. GAAP Adjustments	Odeon Historical U.S. GAAP	Odeon Historical U.S. GAAP
Revenues	£ 367,303	£ —	£ 367,303	\$ 526,182
Cost of operations	252,352	—	252,352	361,508
Rent	65,257	2,839	46,523	66,647
		927		
		(2,002)		
		(18,426)		
		(2,072)		
General and administrative:				
Merger, acquisition and transaction costs	6,698	—	6,698	9,595
Other	19,794	(2,486)	16,933	24,257
		(375)		
		—		
Depreciation and amortization	27,893	(5,996)	32,051	45,915
		(287)		
		9,753		
		188		
		500		
Impairment of long-lived assets	110	—	110	158
Operating costs and expenses	372,104	(17,437)	354,667	508,080
Operating income	(4,801)	17,437	12,636	18,102
Other expense (income)	52,365	(788)	52,004	74,499
		427		
Interest expense	51,003	12,281	62,943	90,169
		(341)		
		—		
Equity in loss of non-consolidated entities	241	—	241	345
Investment income	—	—	—	—
Total other expense	103,609	11,579	115,188	165,013
Earnings (loss) before income taxes	(108,410)	5,858	(102,552)	(146,911)
Income tax provision	137	(600)	(463)	(663)
Net loss	£(108,547)	£ 6,458	£(102,089)	\$ (146,248)

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements

**STATEMENT OF OPERATIONS  
FOR THE SIX MONTHS ENDED  
JUNE 30, 2015**

	Local Currency—GBP			USD	
	Odeon Pro Forma Reclassified Amounts Presented	Odeon U.S. GAAP Adjustments		Odeon Historical U.S. GAAP	Odeon Historical U.S. GAAP
Revenues	£ 348,706	£ —		£ 348,706	\$ 531,219
Cost of operations	240,286	—		240,286	366,052
Rent	54,601	3,728	(ii)(a)	44,242	67,398
		991	(ii)(b)		
		4,991	(ii)(c)		
		(18,008)	(ii)(f)		
		(2,061)	(ii)(j)		
General and administrative:					
Merger, acquisition and transaction costs	804	—		804	1,225
Other	12,769	—	(ii)(g)	13,220	20,139
		(249)	(ii)(h)		
		700	(ii)(i)		
Depreciation and amortization	27,249	(5,802)	(ii)(d)	31,339	47,742
		(158)	(ii)(e)		
		9,347	(ii)(f)		
		203	(ii)(j)		
		500	(ii)(k)		
Impairment of long-lived assets	—	—	(ii)(e)	—	—
Operating costs and expenses	335,709	(5,818)		329,891	502,556
Operating income	12,997	5,818		18,815	28,663
Other expense (income)	(39,002)	(1,513)	(ii)(i)	(40,335)	(61,446)
		180	(ii)(h)		
Interest expense	49,151	11,972	(ii)(f)	59,800	91,099
		(1,323)	(ii)(a)		
		—	(ii)(h)		
Equity in loss of non-consolidated entities	303	—		303	462
Investment income	—	—		—	—
Total other expense	10,452	9,316		19,768	30,115
Earnings (loss) before income taxes	2,545	(3,498)		(953)	(1,452)
Income tax provision	(1,215)	(50)	(ii)(k)	(1,265)	(1,927)
Net loss	£ 3,760	£ (3,448)		£ 312	\$ 475

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements



Odeon's condensed consolidated statement of operations for the year ended December 31, 2015 has been translated into U.S. dollars at a rate of GBP 1.00=USD 1.5284, the average exchange rate for the year ended December 31, 2015.

Odeon's condensed consolidated statement of operations for the six months ended June 30, 2016 has been translated into U.S. dollars at a rate of GBP 1.00= 1.4326, the average exchange rate for the six months ended June 30, 2016.

Odeon's condensed consolidated statement of operations for the six months ended June 30, 2015 has been translated into U.S. dollars at a rate of GBP 1.00= 1.5234, the average exchange rate for the six months ended June 30, 2015.

(ii) Reflects the following GAAP adjustments (in thousands):

(a) Under U.K. GAAP, Odeon maintains a liability for leased properties still in use that are expected to generate losses in the future. Under GAAP, liability cannot be recorded for losses related to contractual lease obligations until the cease use date has occurred. Odeon adjusts the onerous lease provision when performance improves for properties previously forecast to generate cash losses. The Company has made the following adjustment to remove the benefit of the change in provision for onerous leases and to remove related accretion of interest on the liability as follows:

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Remove benefit of onerous lease provision released	£ 24,994	£ 2,839	£ 3,728
Remove interest expense for onerous leases	(2,647)	(341)	(1,323)

(b) Under U.K. GAAP, fixed increases in rental payments that are meant to approximate the rate of inflation are not included in the calculation of straight-line rent expense but would be included under GAAP. The Company has made the following adjustment to include the estimated deferred rent expense for operating leases as follows:

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Record deferred rent expense, net of amortization of the deferred amount	£ 1,982	£ 927	£ 991

(c) Odeon occasionally receives premium payments from landlords that provide the landlord with the right to terminate the lease at the discretion of the landlord. Historically Odeon has recognized such payments in the year of payment. Under GAAP, such payments would generally be considered the same as incentives from a landlord and would be recognized on a straight-line basis over the period from receipt of the payment over the remainder of the expected lease term. The Company has made the following adjustment to remove the benefits received from landlords for operating leases and to replace that amount with amortization of the deferred amounts over the terms of the leases as follows:

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Remove lease incentive benefits and replace that amount with amortization of deferred amounts	£ 14,876	£ (2,002)	£ 4,991

(d) Goodwill is amortized under U.K. GAAP but is not amortized under GAAP. The Company has made the following adjustment to remove the expense related to goodwill amortization under U.K. GAAP as follows:

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Remove amortization of goodwill	£ (11,604)	£ (5,996)	£ (5,802)

(e) Under U.K. GAAP impairment charges recorded previously can be reversed. However, under GAAP, impairment charges recorded in prior periods are not reversed in future periods. During the six months ended June 30, 2016 and 2015, Odeon did not record any reversals of previous impairment charges. The Company has made the following adjustments to reverse the reinstatement of previously recorded impairment charges and to reverse depreciation on these long-lived assets under U.K. GAAP as follows:

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Remove reversal of previous impairments	£ 3,258	£ —	£ —
Remove depreciation expense	(316)	(287)	(158)

(f) Reflects the adjustment to interest expense, depreciation expense and rent expense to account for capital leases and build-to-suit leases, which should be accounted as financing transactions under GAAP as a result of the involvement of Odeon during the construction of such leased properties and its significant continuing involvement upon completion of construction activities. These leases were accounted for as operating leases under U.K. GAAP.

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Record interest expense for build to suit and capital leases	£ 23,804	£ 12,281	£ 11,972
Record depreciation expense	18,877	9,753	9,347
Remove rent expense for operating leases	(36,186)	(18,426)	(18,008)

(g) Represents share based compensation expense related to Odeon's senior long-term incentive program ("Senior LTIP") that is contingent upon the consummation of the Odeon Acquisition. Under GAAP recognition of share based compensation expense that is contingent on the consummation of a transaction is deferred until the transaction is consummated.

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Remove Senior LTIP expense	£ (6,980)	£ (2,486)	£ —

(h) Under U.K. GAAP, actuarial losses or gains are recognized immediately through other comprehensive income during the year of occurrence. Under GAAP, these are recognized in other comprehensive income and amortized through the income statement over the average life expectancy of inactive participants following the corridor approach, which allows the Company to defer amortization of actuarial losses or gains through the income statement which are lower than

the greater of 10% of the fair value of the pension plan assets or the projected benefit obligation at the start of the period

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Records reclassification of pension plan interest income from Other expense	£ (517)	£ (375)	£ (249)
Records reclassification of pension plan interest income and amortization of actuarial gain	376	427	180

(i) Under GAAP, gains from sale leaseback transactions are typically deferred over the term of the lease. The following adjustments represent the impact of amortizing the deferred gains from historic sale leaseback transactions related to the PropCos under GAAP, as well as eliminating the intercompany loan activity:

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Record amortization of deferred sale lease back gain	£ (3,026)	£ (788)	£ (1,513)
Record release of provision	700	—	700

(j) Under U.K. GAAP, identifiable intangible assets and liabilities are not required to be separately identified and recorded on an entity's balance sheet in connection with a business combination. Under GAAP, identifiable intangible assets and liabilities such as favorable and unfavorable leases are required to be separately identified and determined to be indefinite-lived or definite lived intangible assets or liabilities. The following adjustments record the amortization for identified favorable lease assets and unfavorable lease liabilities under GAAP.

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Record amortization of unfavorable lease liability	£ (4,156)	£ (2,072)	£ (2,061)
Record amortization of favorable lease asset	409	188	203

(k) Income and expenses recorded historically by Odeon were not significantly tax effected in foreign jurisdictions as a result of available unrecorded deferred tax assets including net operating loss carryforwards. As a result GAAP adjustments do not result in significant amounts of additional income tax expense or benefit in these foreign jurisdictions. Odeon has made a GAAP policy election not to include any tax basis in the reported position for certain leasehold assets in the UK and Ireland where its tax basis declines or 'wastes' over time. As a result, the value of the assets is grossed up under GAAP to reflect the associated deferred tax liability acquired and an adjustment is required to increase depreciation and record the related tax credit.

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Remove income tax benefit related to adjustment (g) above	£ (100)	£ (600)	£ (50)
Record depreciation expense for fixed assets recorded related to policy election	1,000	500	500

### Summary of Reclassification Adjustments for Odeon

The classification of certain items presented by Odeon under U.K. GAAP has been modified in order to align with the presentation used by the Company under GAAP as shown below. The reclassification adjustments to the Income Statements for the year ended December 31, 2015, the six months ended June 30, 2016 and the six months ended June 30, 2015 relate to the structure of the Consolidated Income Statement for Odeon following its policies under U.K. GAAP which utilize different naming and aggregation standards than the Company's presentation following its policies under GAAP and breaks out items such as revenues as turnover. The reclassification adjustments to conform Odeon's historical financial statement presentation to the Company's historical financial statement presentation have also been condensed to conform with the amounts presented in the pro forma condensed and combined financial statement presentations included herein. There have been no changes in Odeon's historical net loss for any period as a result of these reclassifications.

**Odeon**  
**Summary of pro forma reclassification adjustment for Odeon—Income Statement**  
**Year ended December 31, 2015**

	UK GAAP			Pro Forma Reclassified Amounts Presented (in £)
	Odeon Historical UK GAAP Presentation (in £)	Reclassification Adjustments to conform to AMC Presentation (in £)	Reclassified amounts (in £)	
	(in thousands)			
12 months ended December 31, 2015				
Turnover	747,164	(747,164)		
Admissions		500,734	500,734	
Food and beverage		180,331	180,331	
Other theatre		66,099	66,099	
<b>Revenues</b>				<b>747,164</b>
Cost of sales	274,250	(274,250)		
Film exhibition costs		210,709	210,709	
Food and beverage costs		42,793	42,793	
Distribution costs, administration expenses and other operating income	415,185	(415,185)		
Operating expense		239,510	239,510	
<b>Cost of operations</b>				<b>493,012</b>
<b>Rent</b>		87,676	87,676	<b>87,676</b>
<b>General and administrative:</b>				
<b>Merger, acquisition and transaction costs</b>		5,517	5,517	<b>5,517</b>
<b>Other</b>		36,144	36,144	<b>36,144</b>
<b>Depreciation and amortization</b>		54,134	54,134	<b>54,134</b>
<b>Impairment of long-lived assets</b>		2,156	2,156	<b>2,156</b>
<b>Other expense (income)</b>		(22,693)	(22,693)	<b>(22,693)</b>
Interest payable and similar charges	95,393	(95,393)		
Corporate borrowings		92,631	92,631	
Capital and financing lease obligations		2,647	2,647	
<b>Interest expense</b>				<b>95,278</b>
Group's share of profit in joint ventures	(186)	186		
Other interest receivable and similar income	(22,987)	22,987		
<b>Equity in earnings of non-consolidated entities</b>		(71)	(71)	<b>(71)</b>
<b>Investment income</b>				
Profit on disposal of properties	(10,502)	10,502		
<b>Income tax provision (benefit)</b>	894		894	<b>894</b>
<b>Net loss</b>	<u>(4,883)</u>	<u>—</u>	<u>(4,883)</u>	<u><b>(4,883)</b></u>

**Odeon**  
**Summary of pro forma reclassification adjustment for Odeon—Income Statement**  
**Six months ended June 30, 2016**

	UK GAAP			Pro Forma Reclassified Amounts Presented (in £)
	Odeon Historical UK GAAP Presentation (in £)	Reclassification Adjustments to conform to AMC Presentation (in £)	Reclassified amounts (in £)	
	(in thousands)			
6 months ended June 30, 2016				
Turnover	367,303	(367,303)		
Admissions		244,943	244,943	
Food and beverage		90,658	90,658	
Other theatre		31,702	31,702	
<b>Revenues</b>				<b>367,303</b>
Cost of sales	134,914	(134,914)		
Film exhibition costs		102,110	102,110	
Food and beverage costs		21,944	21,944	
Distribution costs, administration expenses and other operating income	239,226	(239,226)		
Operating expense		128,298	128,298	
<b>Cost of operations</b>				<b>252,352</b>
<b>Rent</b>		65,257	65,257	<b>65,257</b>
<b>General and administrative:</b>				
<b>Merger, acquisition and transaction costs</b>		6,698	6,698	<b>6,698</b>
<b>Other</b>		19,794	19,794	<b>19,794</b>
<b>Depreciation and amortization</b>		27,893	27,893	<b>27,893</b>
<b>Impairment of long-lived assets</b>		110	110	<b>110</b>
<b>Other expense (income)</b>		52,365	52,365	<b>52,365</b>
Interest payable and similar charges	101,337	(101,337)		
Corporate borrowings		50,488	50,488	
Capital and financing lease obligations		515	515	
<b>Interest expense</b>				<b>51,003</b>
Group's share of profit in joint ventures	200	(200)		
Other interest receivable and similar income				
<b>Equity in earnings of non-consolidated entities</b>		241	241	<b>241</b>
<b>Investment income</b>				
Profit/(loss) on disposal of properties	36	(36)		
<b>Income tax provision (benefit)</b>	<b>137</b>		<b>137</b>	<b>137</b>
<b>Net loss</b>	<b>(108,547)</b>	<b>—</b>	<b>(108,547)</b>	<b>(108,547)</b>

**Odeon**  
**Summary of pro forma reclassification adjustment for Odeon—Income Statement**  
**Six months ended June 30, 2015**

	UK GAAP			Pro Forma Reclassified Amounts Presented (in £)
	Odeon Historical UK GAAP Presentation (in £)	Reclassification Adjustments to conform to AMC Presentation (in £)	Reclassified amounts (in £)	
(in thousands)				
<b>6 months ended June 30, 2015</b>				
Turnover	348,706	(348,706)		
Admissions		236,990	236,990	
Food and beverage		84,973	84,973	
Other theatre		26,743	26,743	
<b>Revenues</b>				<b>348,706</b>
Cost of sales	126,301	(126,301)		
Film exhibition costs		98,462	98,462	
Food and beverage costs		20,007	20,007	
Distribution costs, administration expenses and other operating income	208,458	(208,458)		
Operating expense		121,817	121,817	
<b>Cost of operations</b>				<b>240,286</b>
<b>Rent</b>		54,601	54,601	<b>54,601</b>
<b>General and administrative:</b>				
Merger, acquisition and transaction costs		804	804	<b>804</b>
Other		12,769	12,769	<b>12,769</b>
<b>Depreciation and amortization</b>		27,249	27,249	<b>27,249</b>
<b>Impairment of long-lived assets</b>		—	—	<b>—</b>
<b>Other expense (income)</b>		(39,002)	(39,002)	<b>(39,002)</b>
Interest payable and similar charges	49,306	(49,306)		
Corporate borrowings		47,596	47,596	
Capital and financing lease obligations		1,555	1,555	
<b>Interest expense</b>				<b>49,151</b>
Group's share of profit in joint ventures	232	(232)		
Other interest receivable and similar income	(38,369)	38,369		
<b>Equity in earnings of non-consolidated entities</b>		303	303	<b>303</b>
<b>Investment income</b>				
Profit/(loss) on disposal of properties	233	(233)		
<b>Income tax provision (benefit)</b>	<b>(1,215)</b>		<b>(1,215)</b>	<b>(1,215)</b>
<b>Net earnings</b>	<b>3,760</b>	<b>—</b>	<b>3,760</b>	<b>3,760</b>

**4. Purchase Price**

**Odeon**

The transaction represents a total value of approximately £514,000,000 (\$681,000,000) for Odeon's share capital based on a currency translation rate of GBP 1.00=1.3242 U.S. dollars on June 30, 2016. Approximately 75% of this estimated purchase price will be paid in cash to the Odeon shareholders and approximately 25% will be paid through the issuance to them of shares of the Company's Class A

common stock. The estimated transaction value of £514,000,000 assumes a closing date of December 31, 2016 and includes interest from the locked box date of December 31, 2015 at 5.9617% through December 31, 2016 of approximately £28,900,000. Should the transaction close before December 31, 2016 or after December 31, 2016, the purchase price would be adjusted downward by approximately £80,000 per day or upward by approximately £80,000 per day, respectively.

The preliminary estimate of cash consideration expected to be transferred to effect the Odeon Acquisition is approximately £389,000,000 or approximately \$515,000,000. Estimated cash consideration is based on the preliminary estimate of the number of shares outstanding on the acquisition date. These estimated amounts do not purport to represent what the actual cash consideration transferred will be when the acquisition closes (in thousands, except for share price):

*Acquisition Consideration:*

Estimated number of Company shares to be issued based on 20 day average share price of \$27.49 three days prior to June 30, 2016	6,021
Estimated \$USD price paid with shares based on a currency translation rate of 1.3242 on June 30, 2016	\$ 166,000
Plus	
Cash distribution to Odeon shareholders	\$ 515,000
Total preliminary estimated acquisition consideration	<u>\$ 681,000</u>

The sensitivity table below shows a range of shares issued based on hypothetical Company share prices on the acquisition date.

(Unaudited, in thousands, except for the estimated share price)	% increase / decrease	Average Share Price	Estimated Shares	£ Estimated Purchase Consideration	\$ Estimated Purchase Consideration
As presented in the unaudited pro forma combined results		\$ 27.49	6,021	£ 514,000	\$ 681,000
20% decrease in the estimated share price	-20%	21.99	7,527	514,000	681,000
10% decrease in the estimated share price	-10%	24.74	6,691	514,000	681,000
10% increase in the estimated share price	10%	30.24	5,474	514,000	681,000
20% increase in the estimated share price	20%	32.99	5,017	514,000	681,000

The sensitivity table below shows a range of estimated purchase consideration based on hypothetical currency translation rates on the acquisition date.

(Unaudited, in thousands, except for the translation rates)	% increase / decrease	Estimated Translation Rate	£ Estimated Purchase Consideration	\$ Estimated Purchase Consideration
As presented in the pro forma combined results		1.3242	£ 514,000	\$ 681,000
20% decrease in the estimated translation rate	-20%	1.0593	514,000	544,000
10% decrease in the estimated translation rate	-10%	1.1918	514,000	613,000
10% increase in the estimated translation rate	10%	1.4566	514,000	749,000
20% increase in the estimated translation rate	20%	1.6022	514,000	824,000



Under the acquisition method of accounting, the total estimated purchase price is allocated to Odeon's assets and liabilities based upon their estimated fair value as of the date of completion of the acquisition. Based upon the estimated purchase price and the preliminary valuation, the preliminary purchase price allocation, which is subject to change based on Odeon's final analysis, is as follows (in thousands):

Cash and cash equivalents	\$ 35,967
Current assets	79,134
Property, net	860,305(a)
Goodwill	906,212
Intangible assets:	
Tradenname—Indefinite lived asset	53,630(a)
Favorable lease—Definite lived asset	1,800(a)
Other assets	53,258
<b>Total assets acquired</b>	<b>1,990,306</b>
Current liabilities	(211,836)
9% Senior Secured Note GBP due 2018	(406,000)
4.93% Senior Secured Note EUR due 2018	(222,000)
Capital lease and financing lease obligations	(311,052)(a)
Other liabilities	(158,418)
<b>Net assets acquired</b>	<b>\$ 681,000</b>

- (a) The Company has not yet determined fair value of property, net, intangibles or capital and financing lease obligations acquired; therefore the carrying value has been used in the preliminary purchase price allocation and in the unaudited pro forma condensed combined financial statements.

## 5. Proposed Acquisition Financings

### Odeon

In connection with the Odeon Acquisition, the Company anticipates incurring the following indebtedness: \$535,000,000 aggregate principal amount of Senior Subordinated Notes due 2026; £300,000,000 (\$397,260,000) aggregate principal amount of Senior Subordinated Notes due 2024; and \$500,000,000 aggregate principal amount of incremental term loans. We have assumed for purposes of this pro forma information a weighted average interest rate of 5.3% per year for indebtedness incurred as part of the Financing. An increase or decrease of 0.50% of the assumed weighted average interest rate would increase or decrease interest expense by approximately \$7.2 million for the twelve months ended December 31, 2015 and approximately \$3.6 million for the six months ended June 30, 2016.

## 6. Pro Forma Adjustments

The accompanying unaudited pro forma condensed combined financial statements have been prepared as if the transactions described above were completed on June 30, 2016 for balance sheet purposes and as of January 1, 2015 for statement of operations purposes.

In connection with the proposed Carmike Acquisition, we expect to draw upon additional financing sources, which may include a combination of additional debt or equity financing and the proceeds of asset sales, or in the event those sources are not available, drawings under committed credit facilities. In the event the Carmike Acquisition is completed prior to the Odeon Acquisition, a portion of the proceeds of the financings set forth in this pro forma financial information will be used to finance the transactions related to the Carmike Acquisition instead, in which event we would expect that the

financing sources which would have been used to finance the Carmike Acquisition would be used to finance the transactions associated with the Odeon Acquisition.

(a) Represents the following anticipated sources and uses of funds for the Odeon Acquisition (\$ in thousands):

Sources of Funds	SOURCES AND USES ODEON	
	Amount	Amount
Proceeds from issuance of \$535 million Dollar Notes	\$ 535,000	Transaction fees and expenses \$ 63,836
Proceeds from issuance of \$300 million GBP Sterling Notes	397,260	
Proceeds from issuance of incremental term loans	500,000	
		9% Senior Secured Note GBP due 2018 406,000
		Floating Rate Senior Secured Note EUR due 2018 222,000
AMC equity issued to seller	166,000	Acquisition of Odeon 681,000
		Company Cash \$ 225,424
	<u>\$ 1,598,260</u>	<u>\$ 1,598,260</u>

Transaction fees and expenses are estimated as follows (in thousands):

Deferred charges \$535 million Dollar Notes	\$ 18,725
Deferred charges \$300 million Sterling Notes	13,904
Incremental term loans	11,250
Transaction expenses	\$ 19,957
Transaction fees and expenses above	<u>\$ 63,836</u>

(b) Remove historical Odeon goodwill and replace with goodwill from purchase price allocation. See Note 4 Purchase Price above.

(c) Amount represents transaction fees and expenses in (a) above. Transaction fees related to the issuance of debt are capitalized and amortized to interest expense over the term of the related notes. Other expenses are non-recurring in nature and recorded directly to retained earnings.

(d) Eliminate Odeon historical equity in connection with purchase accounting.

(e) Adjust debt balances assumed in Odeon Acquisition to fair value.

(f) Eliminate shareholder loans that are extinguished at closing with the estimated acquisition consideration.

(g) The Company has not yet determined fair value of property, net, intangibles or capital and financing lease obligations acquired; therefore the carrying value has been used in the preliminary purchase price allocation and in the unaudited pro forma condensed combined financial statements. See Note 4 Purchase Price above.

(h) In connection with the application of purchase accounting, deferred rent, deferred gain and landlord allowance amounts were reset to fair value of \$0.

(i) Adjustments to interest expense and other expense have been made to reflect the elimination of the Shareholder Loans due 2019 and refinancing of the 9% Senior Secured Note GBP due 2018 and the Floating Rate Senior Secured Note due 2018 as follows (see Note 5 Proposed Acquisition Financing above for a sensitivity analysis showing the impact of a change in interest rates on interest expense):

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Eliminate historical interest expense for amounts extinguished above	\$ (141,577)	\$ (72,327)	\$ (72,508)
Cash interest on new indebtedness incurred.	80,132	39,168	40,020
Amortization of deferred charges on new indebtedness incurred	5,353	2,626	2,674

(j) Adjustment to remove the non-recurring direct incremental costs of the Odeon Acquisition which are reflected in the historical financial statements of the Company and Odeon.

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Remove the Company's costs	\$ —	\$ (3,778)	\$ —
Remove Odeon's costs	(4,790)	(9,355)	—

(k) Adjustment to record tax benefit in U.S. tax jurisdictions at the Company's effective income tax rate of 39% for M&A costs of the Company and interest expense related to indebtedness issued by the Company. Income and expenses recorded historically by Odeon were not significantly tax effected in foreign jurisdictions as a result of available unrecorded deferred tax assets including net operating loss carryforwards. As a result pro forma adjustments do not result in significant amounts of additional income tax expense or benefit in these foreign jurisdictions.

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Record tax effect in U.S. tax jurisdictions	\$ (33,339)	\$ (14,826)	\$ (16,651)

(l) Adjustment to increase rent for the elimination of deferred rent, deferred gain and landlord allowance credits recorded historically as a result of the fair value adjustment in (h) above.

	Year Ended December 31, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Remove deferred rent credits	\$ 1,669	\$ 1,983	\$ 218
Remove deferred gain credits	8,447	1,614	1,549
Remove landlord allowance credits	3,639	2,163	1,813

## QuickLinks

[Exhibit 99.3](#)

[UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION](#)

[AMC ENTERTAINMENT HOLDINGS, INC. UNAUDITED CONDENSED COMBINED PRO FORMA BALANCE SHEET AS OF JUNE 30, 2016 \(DOLLARS IN THOUSANDS\)](#)

[AMC ENTERTAINMENT HOLDINGS, INC. UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2015 \(dollars in thousands, except per share data\)](#)

[AMC ENTERTAINMENT HOLDINGS, INC. UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS SIX MONTHS ENDED JUNE 30, 2016 \(dollars in thousands, except per share data\)](#)

[AMC ENTERTAINMENT HOLDINGS, INC. UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS SIX MONTHS ENDED JUNE 30, 2015 \(dollars in thousands, except per share data\)](#)

[BALANCE SHEET AS OF JUNE 30, 2016](#)

[Odeon Summary of pro forma reclassification adjustment for Odeon—Balance sheet As of June 30, 2016](#)

[STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2015](#)

[STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2016](#)

[STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2015](#)

[Odeon Summary of pro forma reclassification adjustment for Odeon—Income Statement Year ended December 31, 2015](#)

[Odeon Summary of pro forma reclassification adjustment for Odeon—Income Statement Six months ended June 30, 2016](#)

[Odeon Summary of pro forma reclassification adjustment for Odeon—Income Statement Six months ended June 30, 2015](#)