
**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 Earliest Event Reported: May 6, 2010

National CineMedia, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33296
(Commission file number)

20-5665602
(IRS employer
identification no.)

9110 E. Nichols Ave., Suite 200
Centennial, Colorado 80112-3405
(Address of principal executive offices, including zip code)

(303) 792-3600
(Registrant's telephone number, including area code)

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 210.14d-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 2.02 Results of Operations and Financial Condition

On May 6, 2010, National CineMedia, Inc. issued a press release announcing its financial results for the quarter ended April 1, 2010. A copy of the press release is furnished as Exhibit 99.1 to this report.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of National CineMedia, Inc. dated May 6, 2010.

SIGNATURES

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

NATIONAL CINEMEDIA, INC.

Dated: May 6, 2010

By: /s/ Ralph E. Hardy
Ralph E. Hardy
Executive Vice President,
General Counsel and Secretary



**National CineMedia, Inc. Reports Results for
Fiscal First Quarter 2010**

~ Provides Second Quarter and Updates Full Year 2010 Outlook ~

~ Increases Quarterly Cash Dividend ~

Centennial, CO – May 6, 2010 – National CineMedia, Inc. (NASDAQ: NCMI) (the Company), the managing member and owner of 40.7% of National CineMedia, LLC (NCM LLC), the operator of the largest digital in-theatre network in North America, today announced consolidated results for the first quarter ended April 1, 2010.

Total revenue for the first quarter 2010 grew 15.1% to \$84.6 million from \$73.5 million for the comparable quarter last year. Advertising revenue for the first quarter 2010 was \$67.8 million, an increase of 12.8% compared to \$60.1 million for the comparable quarter last year. Fathom Events revenue increased 25.4% to \$16.8 million in the first quarter of 2010 compared to \$13.4 million for the comparable quarter last year. National advertising inventory utilization for the quarter was 78.1% versus 67.4% for the comparable period in 2009. Cost per thousand (or CPM) national advertising rates increased 1.7% in the quarter versus the comparable quarter last year. Net income for both the first quarter of 2010 and 2009 was \$1.2 million, or \$0.03 per diluted share. Results for the first quarter of 2010 include a \$1.7 million pre-tax non-cash loss related to the change in derivative fair values versus a \$1.9 million pre-tax non-cash gain in the first quarter of 2009. Excluding the change in derivative fair values, net income for the first quarter of 2010 was \$1.6 million, or \$0.04 per diluted share versus \$0.7 million and \$0.02 per diluted share in the comparable period in 2009. Adjusted OIBDA increased 20.8% to \$32.5 million for the first quarter 2010 from \$26.9 million for the comparable quarter last year. Adjusted OIBDA as a percentage of total revenue increased to 38.4% in the current quarter from 36.6% in the first quarter of 2009.

The Company announced today that its Board of Directors has authorized the Company's first quarter cash dividend of \$0.18 per share of common stock. This is an increase of \$0.02 or 12.5%. The dividend will be paid on June 3, 2010, to stockholders of record on May 20, 2010. The Company intends to pay a regular quarterly dividend for the foreseeable future at the discretion of the Board of Directors dependent on available cash, anticipated cash needs, overall financial condition, future prospects for earnings and cash flows as well as other relevant factors.

"We delivered another solid performance against relatively tough comps with strong revenue growth across each of our businesses and higher OIBDA margins that demonstrated the strength of our business model and franchise," said Kurt Hall, National CineMedia's Chairman and CEO. "Our advertising revenue growth reflected a continued shift in market share from traditional media and the expansion of our theatre network. I was especially pleased with the recovery of our local advertising business with revenue growth for the quarter of 36% after being hit hard by the recession last year. Our Fathom business also had a great quarter as we expanded our live broadcast capabilities and began to attract more high quality programming."

Mr. Hall concluded, "The continued expansion of our network and our ability to provide integrated marketing products across the "big screen", the web, cinema lobbies and as part of Fathom events sponsorships positions us very well to be even more competitive in the national media marketplace as the economy recovers and marketers look for more effective marketing platforms."

Supplemental Information

The payments made by Regal associated with Consolidated Theatres payments were \$0.4 million and \$0.3 million for the quarters ended April 1, 2010 and April 2, 2009, respectively. The final AMC Loews integration payment was \$0.1 million for the quarter ended April 2, 2009 and was recorded directly to equity, while the Regal payments were recorded as a reduction of an intangible asset.

2010 Outlook

For the second quarter of 2010, the Company expects total revenue to be in the range of \$97 million to \$100 million, compared to total revenue for the second quarter of 2009 of \$92.9 million and Adjusted OIBDA to be in the range of \$48 million to \$50 million, compared to Adjusted OIBDA for the second quarter of 2009 of \$45.3 million.

For the full year 2010, the Company expects total revenue to be in the range of \$402 million to \$412 million, compared to total revenue for the full year of 2009 of \$380.7 million and Adjusted OIBDA to be in the range of \$198 million to \$205 million, compared to Adjusted OIBDA for the full year of 2009 of \$189.3 million.

This outlook for the second quarter and fiscal 2010 does not reflect any potential make-goods being generated.

Conference Call

The Company will host a conference call and audio webcast with investors, analysts and other interested parties Thursday, May 6, 2010 at 5:00 P.M. Eastern time. The live call can be accessed by dialing 1-877-407-9039 or for international participants 1-201-689-8470. Participants should register at least 15 minutes prior to the commencement of the call. Additionally, a live audio webcast will be available to interested parties at www.ncm.com under the Investor Relations section. Participants should allow at least 15 minutes prior to the commencement of the call to register, download and install necessary audio software.

The replay of the conference call will be available until midnight Eastern Time, May 20, 2010, by dialing 1-877-660-6853 or for international participants 1-201-612-7415, and entering account 3055 and conference ID 350132.

About National CineMedia, Inc.

NCM operates NCM Media Networks, a leading integrated media company reaching U.S. consumers in movie theaters, online and through mobile technology. The NCM Cinema Network and NCM Fathom present cinema advertising and events across the nation's largest digital in-theater network, comprised of theaters owned by AMC Entertainment Inc., Cinemark Holdings, Inc. (NYSE: CNK), Regal Entertainment Group (NYSE: RGC) and other leading regional theater circuits. NCM's theater network covers 171 Designated Market Areas® (49 of the top 50) and includes approximately 17,100 screens (15,500 digital). During 2009, approximately 680 million patrons attended movies shown in theaters currently included in NCM's network (excluding Consolidated Theatres). The NCM Interactive Network offers 360-degree integrated marketing opportunities in combination with cinema, encompassing approximately 40 entertainment-related web sites, online widgets and mobile applications. National CineMedia, Inc. (NASDAQ: NCMI) owns a 40.7% interest in and is the managing member of National CineMedia LLC. For more information, visit www.ncm.com. (NCMI-F)

Forward Looking Statements

This press release contains various forward-looking statements that reflect management's current expectations or beliefs regarding future events, including statements regarding guidance and the dividend policy. Investors are cautioned that reliance on these forward-looking statements involves risks and uncertainties. Although the Company believes that the assumptions used in the forward looking statements are reasonable, any of these assumptions could prove to be inaccurate and, as a result, actual results could differ materially from those expressed or implied in the forward looking statements. The factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements are, among others, 1) the level of expenditures on cinema advertising; 2) increased competition for advertising expenditures; 3) technological changes and innovations; 4) popularity of major motion picture releases and level of theatre attendance; 5) shifts in population and other demographics that affect theatre attendance; 6) our ability to renew or replace expiring advertising and content contracts; 7) our need for additional funding, risks and uncertainties relating to our significant indebtedness; 8) fluctuations in operating costs; 9) changes in interest rates, and 10) changes in accounting principles. In addition, the outlook provided does not include the impact of any future unusual or infrequent transactions; unidentified restructuring charges; sales and acquisitions of operating assets and investments; any future noncash impairments of goodwill, intangible and fixed assets; amounts related to securities litigation; or the related impact of taxes that may occur from time to time due to management decisions and changing business circumstances. The Company is currently unable to forecast precisely the timing and/or magnitude of any such amounts or events. Please refer to the Company's Securities and Exchange Commission filings for further information about these and other risks.

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NATIONAL CINEMEDIA, INC.
Statements of Operations
Unaudited
(\$ in millions, except per share data)

	<u>Quarter Ended</u> <u>April 1, 2010</u>	<u>Quarter Ended</u> <u>April 2, 2009</u>
REVENUE:		
Advertising (including revenue from founding members of \$9.2 and \$8.4 million respectively)	\$ 67.8	\$ 60.1
Fathom Events	16.8	13.4
Total	84.6	73.5
OPERATING EXPENSES:		
Advertising operating costs	4.5	4.2
Fathom Events operating costs	11.1	8.7
Network costs	4.9	4.4
Theatre access fees—founding members	12.9	12.4
Selling and marketing costs	13.1	11.8
Administrative and other costs	7.7	6.3
Depreciation and amortization	4.0	3.5
Total	58.2	51.3
OPERATING INCOME	26.4	22.2
Interest Expense and Other, Net:		
Borrowings	11.0	11.9
Change in derivative fair value	1.7	(1.9)
Accretion of interest on the discounted income taxes payable to founding members	3.5	3.1
Interest Income and other	—	(0.1)
Total	16.2	13.0
INCOME BEFORE INCOME TAXES	10.2	9.2
Provision for Income Taxes	0.9	0.9
Equity loss from investment, net	0.6	—
CONSOLIDATED NET INCOME	8.7	8.3
Less: Net Income Attributable to Noncontrolling Interests	7.5	7.1
NET INCOME ATTRIBUTABLE TO NCM, INC.	\$ 1.2	\$ 1.2
EARNINGS PER SHARE:		
Basic	\$ 0.03	\$ 0.03
Diluted	\$ 0.03	\$ 0.03

NATIONAL CINEMEDIA, INC.
Selected Balance Sheet Data
Unaudited (\$ in millions)

	<u>April 1, 2010</u>	<u>April 2, 2009</u>
Cash and cash equivalents	\$ 82.6	\$ 71.3
Receivables, net	52.8	64.6
Property and equipment, net	22.7	27.4
Total Assets	620.4	604.4
Borrowings	805.0	806.0
Total equity/(deficit)	(462.7)	(514.0)
Total Liabilities and Equity/(Deficit)	620.4	604.4

NATIONAL CINEMEDIA, INC.
Operating Data
Unaudited

	<u>Quarter Ended April 1, 2010</u>	<u>Quarter Ended April 2, 2009</u>
Total Screens at Period End(1)(6)	17,076	16,813
Founding Member Screens at Period End(2)(6)	14,344	14,514
Total Digital Screens at Period End(3)	15,526	15,623
Total Attendance for Period(4)(6) (in millions)	161.9	158.3
Founding Member Attendance for Period(5)(6) (in millions)	139.9	135.7
Capital Expenditures (in millions)	\$ 2.1	\$ 2.5

(1) Represents the total screens within NCM LLC's advertising network.

(2) Represents the sum of founding member screens.

(3) Represents the total number of screens that are connected to the digital content network.

(4) Represents the total attendance within NCM LLC's advertising network.

(5) Represents the total attendance within NCM LLC's advertising network in theatres operated by the founding members.

(6) Excludes Star Theatres (a subsidiary of AMC Loews) for all periods prior to April 2, 2009. Excludes Consolidated Theatres for all periods presented.

NATIONAL CINEMEDIA, INC.

Operating Data

Unaudited

(in millions, except advertising revenue per attendee and per share data)

	Quarter Ended	Quarter Ended
	April 1, 2010	April 2, 2009
Advertising Revenue	\$ 67.8	\$ 60.1
Total Revenue	84.6	73.5
Operating Income	26.4	22.2
Total Attendance(1)	161.9	158.3
Advertising Revenue / Attendee	\$ 0.42	\$ 0.38
OIBDA	\$ 30.4	\$ 25.7
Adjusted OIBDA	32.5	26.9
Adjusted OIBDA Margin	38.4%	36.6%
Earnings Per Share – Basic	\$ 0.03	\$ 0.03
Earnings Per Share – Diluted	\$ 0.03	\$ 0.03

(1) Represents the total attendance within NCM LLC's advertising network. Excludes Star Theatres (a subsidiary of AMC Loews) attendance for all periods prior to April 2009. Excludes Consolidated Theatres attendance for all periods presented.

(See attached tables for the non-GAAP reconciliation)

NATIONAL CINEMEDIA, INC.
Non-GAAP Reconciliations
Unaudited (\$ in millions)

OIBDA, Adjusted OIBDA and Adjusted OIBDA Margin

Operating Income Before Depreciation and Amortization (OIBDA), Adjusted OIBDA and Adjusted OIBDA margin are not financial measures calculated in accordance with generally accepted accounting principles (GAAP) in the United States. OIBDA represents operating income (loss) before depreciation and amortization expense. Adjusted OIBDA excludes from OIBDA non-cash severance plan costs, share based payment costs and deferred stock compensation. Adjusted OIBDA margin is calculated by dividing Adjusted OIBDA by total revenue. These non-GAAP financial measures are used by management to evaluate operating performance, to forecast future results and as a basis for compensation. The Company believes these are important supplemental measures of operating performance because they eliminate items that have less bearing on its operating performance and so highlight trends in its core business that may not otherwise be apparent when relying solely on GAAP financial measures. The Company believes the presentation of these measures is relevant and useful for investors because it enables them to view performance in a manner similar to the method used by the Company's management, helps improve their ability to understand the Company's operating performance and makes it easier to compare the Company's results with other companies that may have different depreciation and amortization policies and non-cash share based compensation programs, or different interest rates or debt levels or income tax rates. A limitation of these measures, however, is that they exclude depreciation and amortization, which represent a proxy for the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in the Company's business. In addition, Adjusted OIBDA has the limitation of not reflecting the effect of the Company's non-cash severance plan costs, share based payment costs and deferred stock compensation. OIBDA or Adjusted OIBDA should not be regarded as an alternative to operating income, net income or as indicators of operating performance, nor should they be considered in isolation of, or as substitutes for financial measures prepared in accordance with GAAP. The Company believes that operating income is the most directly comparable GAAP financial measure to OIBDA. Because not all companies use identical calculations, these presentations may not be comparable to other similarly titled measures of other companies.

The following table reconciles operating income to OIBDA and Adjusted OIBDA for the periods presented (dollars in millions):

	Quarter Ended April 1, 2010	Quarter Ended April 2, 2009
Operating income	\$ 26.4	\$ 22.2
Depreciation and amortization	4.0	3.5
OIBDA	30.4	25.7
Share-based compensation costs(1)	2.1	1.2
Adjusted OIBDA	<u>\$ 32.5</u>	<u>\$ 26.9</u>
Total Revenue	<u>\$ 84.6</u>	<u>\$ 73.5</u>
Adjusted OIBDA margin	<u>38.4%</u>	<u>36.6%</u>
Adjusted OIBDA	\$ 32.5	\$ 26.9
AMC Loews /Consolidated Theatres Payments	<u>0.4</u>	<u>0.4</u>
Adjusted OIBDA after AMC Loews/Consolidated Theatres Payments	<u>\$ 32.9</u>	<u>\$ 27.3</u>

1. Share-based payment costs are included in network operations, selling and marketing and administrative expense in the accompanying financial statements.

Outlook (in millions)

	Quarter Ending July 1, 2010		Year Ending December 30, 2010	
	Low	High	Low	High
Operating Income	\$42.1	\$ 43.7	\$174.0	\$180.0
Depreciation and amortization	3.9	4.1	16.0	16.5
OIBDA	46.0	47.8	190.0	196.5
Share-based compensation costs(1)	2.0	2.2	8.0	8.5
Adjusted OIBDA	<u>\$48.0</u>	<u>\$ 50.0</u>	<u>\$198.0</u>	<u>\$205.0</u>
Total Revenue	<u>\$97.0</u>	<u>\$100.0</u>	<u>\$402.0</u>	<u>\$412.0</u>

1. Share-based payment costs are included in network operations, selling and marketing and administrative expense in the accompanying financial statements.

Net Income and Earnings Per Share Excluding Change in Derivative Fair Value

Net income excluding change in derivative fair value and earnings per share excluding change in derivative fair value are not financial measures calculated in accordance with generally accepted accounting principles (GAAP) in the United States. Net income excluding change in derivative fair value and earnings per share excluding change in derivative fair value are calculated using reported net income and earnings per share and adding back the non-cash charge related to the change in derivative fair value. These non-GAAP financial measures are used by management as an additional tool to evaluate operating performance. The Company believes these are important supplemental measures of operating performance because they eliminate items that have less bearing on its operating performance and so highlight trends in its core business that may not otherwise be apparent when relying solely on GAAP financial measures. The Company believes the presentation of these measures is relevant and useful for investors because it enables them to view performance in a manner similar to a method used by the Company's management and helps improve their ability to understand the Company's operating performance. Net income excluding change in derivative fair value should not be regarded as an alternative to net income and earnings per share

excluding change in derivative fair value should not be regarded as an alternative to earnings per share or as indicators of operating performance, nor should they be considered in isolation of, or as substitutes for financial measures prepared in accordance with GAAP. The Company believes that net income and earnings per share are the most directly comparable GAAP financial measures. Because not all companies use identical calculations, these presentations may not be comparable to other similarly titled measures of other companies.

The following table reconciles net income and earnings per share as reported to net income excluding change in derivative fair value and earnings per share excluding change in derivative fair value for the periods presented (dollars in millions):

	<u>Quarter Ended April 1, 2010</u>	<u>Quarter Ended April 2, 2009</u>
Net Income as reported	\$ 1.2	\$ 1.2
Change in derivative fair value as reported	1.7	(1.9)
Effect of noncontrolling interest (59.3% and 58.5%, respectively)	(1.0)	1.1
Effect of provision for income taxes (39% effective rate, respectively)	(0.3)	0.3
Net change in derivative fair value	<u>0.4</u>	<u>(0.5)</u>
Net income excluding change in derivative fair value	<u>\$ 1.6</u>	<u>\$ 0.7</u>
Weighted Average Shares Outstanding		
Basic	42,209,698	42,115,552
Diluted	42,669,896	42,136,129
Earnings Per Share:		
Basic earnings per share as reported	\$ 0.03	\$ 0.03
Change in derivative fair value	0.01	(0.01)
Basic earnings per share excluding change in derivative fair value	<u>\$ 0.04</u>	<u>\$ 0.02</u>
Diluted earnings per share as reported	\$ 0.03	\$ 0.03
Change in derivative fair value	0.01	(0.01)
Diluted earnings per share excluding change in derivative fair value	<u>\$ 0.04</u>	<u>\$ 0.02</u>