
**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): November 3, 2014 (November 3, 2014)

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.)

National CineMedia, LLC

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

333-176056
(Commission
file number)

20-2632505
(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 8.01 Other Events.

On November 3, 2014, the U.S. Department of Justice (the “DOJ”) filed an antitrust lawsuit seeking to enjoin the proposed merger between National CineMedia, Inc. (the “Company”) and Screenvision, LLC (“Screenvision”). A copy of the joint press release of the Company and Screenvision relating to the DOJ lawsuit is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference and a copy of a letter from Kurt C. Hall, Chairman and CEO to the Company’s employees relating to the DOJ lawsuit is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release of National CineMedia, Inc. and Screenvision, LLC dated November 3, 2014.
99.2	Letter from Kurt C. Hall, Chairman and CEO.

Cautionary Statement Regarding Forward Looking Statements

This document contains various forward-looking statements that reflect management’s current expectations or beliefs regarding future events, including statements about the proposed merger with Screenvision. 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, the outcome of our defense of the merger with DOJ and the Company’s ability to timely and successfully integrate Screenvision’s operations into those of the Company and achieve the anticipated expense synergies and increased revenue and earnings. 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, including the “Risk Factor” section of the Company’s Annual Report on Form 10-K for the year ended December 26, 2013 and subsequent filings, for further information about these and other risks.

SIGNATURES

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

Dated: November 3, 2014

NATIONAL CINEMEDIA, INC.

By: /s/ Ralph E. Hardy

Ralph E. Hardy

Executive Vice President, General Counsel and Secretary

Dated: November 3, 2014

NATIONAL CINEMEDIA, LLC

By: National CineMedia, Inc., its manager

By: /s/ Ralph E. Hardy

Ralph E. Hardy

Executive Vice President, General Counsel and Secretary



National CineMedia, Inc. and Screenvision Respond to Justice Department Action

~ Companies Defend Their Merger~

~ Combined Company Will Benefit Advertisers and Theatre Circuit Partners~

Centennial, CO – November 3, 2014 – National CineMedia, Inc. (NASDAQ: NCMI) (the “Company” or “NCM”) and Screenvision, LLC (“Screenvision”) defended their proposed merger in response to the complaint filed by the U.S. Department of Justice (“DOJ”) seeking to block their combination.

NCM Chairman and CEO Kurt Hall said, “I am obviously very disappointed that the DOJ did not see the benefits of the new combined company to our advertising clients and their agencies and our exhibitor partners. We look forward to demonstrating those benefits. Combining NCM and Screenvision will enable us to offer advertisers a better product with the broader reach, ubiquitous geographic coverage, more advertising impressions, enhanced targeting capability, and lower costs that advertising clients and their agencies seek. With a better product we will generate more advertising revenue for our theatre circuit partners. Advertisers, exhibitors and shareholders all will benefit from this combination which will better enable NCM 2.0 to compete in the increasingly competitive video advertising marketplace.”

Screenvision CEO Travis Reid noted, “The merger preserves all the desirable attributes of cinema advertising while allowing the combined company to compete more effectively on dimensions important to advertisers. Together, NCM and Screenvision will be more competitive in the expanding video advertising marketplace and provide long term incremental advertising revenue to our theater partners.”

Benefits of the Combined Company

Greater Reach

Advertisers place a premium value on reach. The merger will increase the number of theatre attendees reached by approximately 60%, allowing NCM 2.0 to offer a greater number of the advertising impressions that will be more competitive with cable and broadcast TV networks and online and mobile video advertising platforms.

Ubiquitous Coverage

Advertisers value ubiquitous audience coverage. NCM and Screenvision’s competitors including TV broadcasters, many cable programmers and virtually all the online and mobile advertising platforms have ubiquitous national reach. This limits NCM’s and Screenvision’s current ability to compete for the budgets of national brands, most notably QSRs, Retailers and CPG brands who have businesses with national distribution (or store) networks that require their advertising to be in virtually all markets in which they operate. The merger will allow the combined company to offer advertisers the ubiquity they require.

Ability to Target Specific Audience Demographics

Advertisers prefer to buy a network that can provide a high percentage of a specific age or gender demographic group (e.g., Female18-34); audience members outside that target represent waste

that is inefficient for the advertiser and the network. Neither NCM nor Screenvision alone have a large enough base of attendance (advertising impressions) to target specific audience groups as well as TV networks or online and mobile video advertising platforms. The increase in advertising impressions resulting from the merger will provide enough advertising impressions to enable us to create targeted buys across the nearly 80 age and gender demographic groups currently sold on a guaranteed basis by TV networks and to provide the psychographic and other more precise targeting provided by Internet and mobile advertising platforms.

Lower Costs for Advertisers

While demanding reach, ubiquity and targeting capability, advertisers also want advertising platforms that will make it less difficult to plan and execute their advertising strategies. Advertisers want a single network that provides consistency across all impressions purchased, makes it less difficult to compare performance with other media acquired for a specific campaign, and improves efficiency of media buying process (i.e., takes less time to execute). The merger creates the network that advertisers tell us they want to buy and eliminates the costs associated with the many differences between the NCM and Screenvision networks including differing proposal and rating point estimate processes, different pre show quality and format and ad placement, confusing messaging about reach and market coverage and the value of preshow placement, different pricing methodologies, different delivery technologies and different posting processes.

Significant Expense Synergies

As a result of the merger more than \$30 million of annual recurring operating expense synergies will be realized through the elimination of duplicative functions and operating costs. These operating expense savings will be reinvested into upgrading the network equipment within theatres and creating new systems like CATO (NCM's planned "Cinema Audience Targeting Optimizer"), to make our cinema advertising product even more attractive to advertisers.

As previously announced, the boards of directors of both NCM, Inc. and Screenvision, as well as, Screenvision's equity owners, approved a plan to combine to create a stronger combined cinema advertiser.

About National CineMedia, Inc.

National CineMedia (NCM) operates NCM Media Networks, a leading integrated media company reaching U.S. consumers in movie theaters, online and through mobile technology. NCM presents cinema advertising across the nation's largest digital in-theater network, comprised of theaters owned by AMC Entertainment Inc. (NYSE: AMC), Cinemark Holdings, Inc. (NYSE: CNK), Regal Entertainment Group (NYSE: RGC) and other leading regional theater circuits. NCM's theater advertising network covers 183 Designated Market Areas® (49 of the top 50) and includes over 20,000 screens (approximately 19,200 connected to our Digital Content Network). During 2013, over 710 million patrons (on an annualized basis) attended movies shown in theaters in which NCM currently has exclusive cinema advertising agreements in place. NCM Digital offers 360-degree integrated marketing opportunities in combination with cinema, encompassing 33 entertainment-related websites, online solutions and mobile applications. National CineMedia, Inc. (NASDAQ: NCMI) owns a 45.8% interest in and is the managing member of National CineMedia LLC. For more information, visit www.ncm.com.

About Screenvision

Headquartered in New York, N.Y., Screenvision is a national leader in cinema advertising, offering on-screen advertising, in-lobby promotions, and integrated marketing programs to national, regional, and local advertisers. Screenvision provides comprehensive cinema advertising representation services to top tier theatrical exhibitors presenting the highest quality moviegoing experience. The Screenvision cinema advertising network is comprised of over 14,200 screens in 2,200+ theater locations across all 50 states and 94 percent of DMAs nationwide; delivering through more than 150 theatrical circuits, including six of the top 10 exhibitor companies.

Forward Looking Statements

This press release contains various forward-looking statements that reflect the current expectations or beliefs of the respective companies' managements regarding future events, including statements about the proposed merger. Investors are cautioned that reliance on these forward-looking statements involves risks and uncertainties. Although NCM 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, the outcome of our defense of the merger with the DOJ and the combined company's ability to timely and successfully integrate Screenvision's operations into those of NCM and achieve the anticipated expense synergies and increased revenue and earnings. NCM is currently unable to forecast precisely the timing and/or magnitude of any such amounts or events. Please refer to NCM's Securities and Exchange Commission filings, including the "Risk Factor" section of NCM's Annual Report on Form 10-K for the year ended December 26, 2013 and subsequent filings, for further information about these and other risks.

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Dear NCMers,

Despite the support for our proposed merger with Screenvision from both the advertising community and many of our and Screenvision's theatre affiliates, the Antitrust Division of the U.S. Department of Justice (DOJ) has filed a lawsuit seeking to block the merger. We believe that the DOJ is wrong in its assessment. Bringing together NCM and Screenvision will create a better advertising product with the greater reach, ubiquitous coverage, enhanced targeting capability, and lower costs that advertising clients and their agencies seek. With a better product we will generate more advertising revenue for our theatre circuit partners. Advertisers, exhibitors and shareholders all will benefit from this combination which will better enable NCM 2.0 to compete in the increasingly competitive video advertising marketplace.

This legal process could take another four to six months during which time NCM and Screenvision will continue to operate as two independent companies. I would like to thank everyone for all their hard work on the merger integration plan. Unfortunately we will have to wait longer than expected to execute on that plan and bring the following benefits of the merger to advertisers and our theatre circuit partners:

- **Greater Reach** - Advertisers place a premium value on reach. The merger will increase the number of theatre attendees reached by approximately 60%, allowing NCM 2.0 to offer a greater number of the advertising impressions that will be more competitive with cable and broadcast TV networks and online and mobile video advertising platforms.
- **Ubiquitous Coverage** - Advertisers value ubiquitous audience coverage. NCM and Screenvision's competitors including TV broadcasters, many cable programmers and virtually all the online and mobile advertising platforms have ubiquitous national reach. This limits NCM's and Screenvision's current ability to compete for the budgets of national brands, most notably QSRs, Retailers and CPG brands who have businesses with national distribution (or store) networks that require their advertising to be in virtually all markets in which they operate. The merger will allow the combined company to offer advertisers the ubiquity they require.
- **Ability to Target Specific Audience Demographics** - Advertisers prefer to buy a network that can provide a high percentage of a specific age or gender demographic group (e.g., Female18-34); audience members outside that target represent waste that is inefficient for the advertiser and the network. Neither NCM nor Screenvision alone have a large enough base of attendance (advertising impressions) to target specific audience groups as well as TV networks or online and mobile video advertising platforms. The increase in advertising impressions resulting from the merger will provide enough advertising impressions to enable us to create targeted buys across the nearly 80 age and gender demographic groups currently sold on a guaranteed basis by TV networks and to provide the psychographic and other more precise targeting provided by Internet and mobile advertising platforms. As you know we are currently in the planning process with respect to a new piece of inventory management and proposal software known as CATO (Cinema Audience Targeting Optimizer). While this system will help NCM target more effectively than we currently do, there will continue to be a significant amount of waste due to the undifferentiated nature of the way people go to the movies in groups (males go with females, children go with parents). This reality of the cinema business makes it even more important that a cinema network have the largest number of impressions possible before it starts to slice and dice the audience into more targeted audience groups. In fact, it is not clear

that even with a system like CATO, Screenvision could create demographic targeting groups and related guarantees without creating such a large amount of waste that it would threaten their business model or make the number of more targeted impressions so small that it would not be attractive to advertisers who can buy the same audience more effectively on TV or by buying an Internet or mobile advertising platform.

- **Lower Costs for Advertisers** - While demanding reach, ubiquity and targeting capability, advertisers also want advertising platforms that will make it less difficult to plan and execute their advertising strategies. Advertisers want a single network that provides consistency across all impressions purchased, makes it less difficult to compare performance with other media acquired for a specific campaign, and improves efficiency of media buying process (i.e., takes less time to execute). The merger creates the network that advertisers tell us they want to buy and eliminates the costs associated with the many differences between the NCM and Screenvision networks including differing proposal and rating point estimate processes, different pre show quality and format and ad placement, confusing messaging about reach and market coverage and the value of preshow placement, different pricing methodologies, different delivery technologies and different posting processes.
- **Significant Expense Synergies** - As a result of the merger more than \$30M of annual recurring operating expense synergies will be realized through the elimination of duplicative functions and operating costs. These operating expense savings will be reinvested into upgrading the network equipment within theatres and creating new systems like CATO (NCM's planned "Cinema Audience Targeting Optimizer"), to make our cinema advertising product even more attractive to advertisers.

In short, the merger will directly address many of the issues that have limited cinema advertising revenue growth. Only 300-400 brands have ever bought either NCM or Screenvision, while thousands of brands buy TV networks and mobile video advertising platforms each year. The merger will enable us to offer a product that will be attractive to brands that have not previously purchased cinema advertising.

Given the growth potential created by the merger, DOJ's actions are very disappointing. Advertisers will be hurt if the merger is blocked but they have other options. The biggest losers over the short and long run will be our theatre circuit partners. The primary focus of NCM's business strategy since its original formation in 2002 is also at the heart of this merger - **create a better cinema advertising product that will lead to incremental advertising revenue for our theatre partners**. We recently spoke with our theatre affiliate partners regarding extensions to their existing contracts to ensure that they would receive the benefits of the merger for many years to come. In fact, we would be willing to extend those revenue share agreements even further or make other improvements to the exhibitor terms to ensure that there is always a complete alignment of financial incentives and interests between us and our theatre circuit partners.

Thanks again so much for all of your hard work and dedication to the NCM mission of bringing value to our theatre partners. All I can ask is that you continue to stay focused, do what you have been doing, and stay patient as we work through the legal process initiated today by the DOJ. I remain confident that we will be successful in proving the benefits from this merger for advertisers, exhibitors and shareholders.

Kurt

Forward Looking Statements

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