
**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): August 2, 2012

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 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 2.02 Results of Operations and Financial Condition

On August 2, 2012, National CineMedia, Inc. issued a press release announcing its financial results for the fiscal second quarter and six months ended June 28, 2012. 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 August 2, 2012.

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: August 2, 2012

By: /s/ Ralph E. Hardy

Ralph E. Hardy

Executive Vice President, General Counsel and Secretary



**National CineMedia, Inc. Reports Results for
Fiscal Second Quarter**

*~ Provides Third Quarter and Full Year 2012 Outlook ~
~ Announces Quarterly Cash Dividend ~*

Centennial, CO – August 2, 2012 – National CineMedia, Inc. (NASDAQ: NCMI) (the Company), the managing member and owner of 48.6% of National CineMedia, LLC (NCM LLC), the operator of the largest digital in-theatre network in North America, today announced consolidated results for the fiscal second quarter and six months ended June 28, 2012.

Total revenue for the second quarter 2012 decreased 3.4% to \$110.1 million from \$114.0 million for the comparable quarter last year. Advertising revenue for the second quarter 2012 was \$101.3 million, an increase of 2.7% from \$98.6 million for the comparable quarter last year. Fathom Events revenue decreased 42.9% to \$8.8 million for the second quarter 2012 from \$15.4 million for the comparable quarter last year. Adjusted OIBDA decreased 8.1% to \$53.0 million for the second quarter 2012 from \$57.7 million for the comparable quarter last year. Net loss for the second quarter of 2012 was \$1.9 million, or \$0.03 per diluted share, compared to net income of \$9.0 million, or \$0.16 per diluted share for the second quarter of 2011. The net loss for the second quarter of 2012 was impacted by a \$26.7 million loss on swap terminations and a \$2.5 million write-off of debt issuance costs associated with the Company's debt refinancing in the quarter. Excluding these items, net income for the second quarter of 2012 would have been \$6.9 million, or \$0.13 per diluted share.

For the six months ended June 28, 2012, total revenue grew 2.4% to \$189.2 million compared to \$184.8 million for the six months ended June 30, 2011. Advertising revenue for the six months ended June 28, 2012 was \$167.6 million, an increase of 6.3% from \$157.7 million for the comparable period last year. Fathom Events revenue decreased 20.3% to \$21.6 million for the six months ended June 28, 2012 from \$27.1 million for the comparable period last year. For the six months ended June 28, 2012, Adjusted OIBDA decreased 4.3% to \$77.8 million from \$81.3 million for the comparable period in 2011. Net loss for the six months ended June 28, 2012 was \$2.8 million, or \$0.05 per diluted share, compared to net income of \$8.0 million, or \$0.15 per diluted share for the comparable six month period of 2011. The net income decrease was primarily due to the charge related to the loss on swap terminations and write-off of debt issuance costs described above. Excluding these items, net income for the six months ended June 28, 2012 would have been \$6.0 million, or \$0.11 per diluted share.

The Company announced today that its Board of Directors has authorized the Company's second quarter cash dividend of \$0.22 per share of common stock. The dividend will be paid on August 30, 2012, to stockholders of record on August 16, 2012. 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.

Kurt Hall, NCM's Chairman and CEO said, "Rather than comment on our current quarter results that will be reviewed later today during our call with analysts, I want to pass-on our thoughts and prayers to the theatre patrons and staff and their family and friends that were involved in the tragic event at one of our network theatres a couple of weeks ago. Our Company and our employees stand ready to help in any way that we can as our community begins the recovery process from this horrific event."

2012 Outlook

For the third quarter of 2012, the Company expects total revenue to be in the range of \$141.0 million to \$147.0 million, or an increase of 4% to 8% compared to the total revenue for the third quarter of 2011 of \$136.0 million and Adjusted OIBDA to be in the range of \$84.0 million to \$89.0 million, or an increase of 5% to 11% compared to the Adjusted OIBDA for the third quarter of 2011 of \$80.0 million.

For the full year 2012, the Company expects total revenue in the range of \$460.0 million to \$470.0 million, or an increase of 6% to 8% compared to total revenue for the full year of 2011 of \$435.4 million, and Adjusted OIBDA in the range of \$225.0 million to \$235.0 million, or approximately flat to up 5% compared to Adjusted OIBDA for the full year of 2011 of \$224.3 million.

Conference Call

The Company will host a conference call and audio webcast with investors, analysts and other interested parties Thursday, August 2, 2012 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, August 16, 2012, by dialing 1-877-870-5176 or for international participants 1-858-384-5517, and conference ID 397886.

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 advertising network covers 181 Designated Market Areas® (49 of the top 50) and includes over 19,000 screens (over 18,100 digital). During 2011, approximately 680 million patrons (on an annualized basis) attended movies shown in theaters in which NCM currently has exclusive cinema advertising agreements in place. The NCM Fathom Events live digital broadcast network ("DBN") is comprised of over 700 locations in 170 Designated Market Areas® (including all of the top 50). The NCM Interactive Network offers 360-degree integrated marketing opportunities in combination with cinema, encompassing 42 entertainment-related websites, online widgets and mobile applications. National CineMedia, Inc. (NASDAQ: NCMI) owns a 48.6% 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.
Condensed Consolidated Statements of Income
Unaudited
(\$ in millions, except per share data)

	Quarter Ended June 28, 2012	Quarter Ended June 30, 2011	Six Months Ended June 28, 2012	Six Months Ended June 30, 2011
REVENUE:				
Advertising (including revenue from founding members of \$10.2, \$10.7, \$20.0 and \$19.0 million respectively)	\$101.3	\$ 98.6	\$ 167.6	\$ 157.7
Fathom Events	8.8	15.4	21.6	27.1
Total	<u>110.1</u>	<u>114.0</u>	<u>189.2</u>	<u>184.8</u>
OPERATING EXPENSES:				
Advertising operating costs	8.0	5.9	12.7	9.4
Fathom Events operating costs	6.5	10.7	15.5	18.3
Network costs	5.1	4.8	10.2	9.7
Theatre access fees—founding members	16.3	14.8	32.0	26.9
Selling and marketing costs	15.5	14.9	30.0	29.5
Administrative and other costs	8.4	8.4	16.6	16.9
Depreciation and amortization	5.0	4.3	9.9	8.9
Total	<u>64.8</u>	<u>63.8</u>	<u>126.9</u>	<u>119.6</u>
OPERATING INCOME	<u>45.3</u>	<u>50.2</u>	<u>62.3</u>	<u>65.2</u>
NON-OPERATING EXPENSES:				
Interest on borrowings	14.3	10.5	28.4	21.4
Interest income	(0.1)	(0.1)	(0.2)	(0.1)
Accretion of interest on the discounted payable to founding members under tax sharing agreement	4.0	4.1	7.0	8.5
Change in derivative fair value	—	2.0	(0.4)	0.8
Loss on swap terminations	26.7	—	26.7	—
Other non-operating expense	2.4	—	2.4	—
Total	<u>47.3</u>	<u>16.5</u>	<u>63.9</u>	<u>30.6</u>
(LOSS) INCOME BEFORE INCOME TAXES	<u>(2.0)</u>	<u>33.7</u>	<u>(1.6)</u>	<u>34.6</u>
Income tax (benefit) expense	(1.1)	5.4	(1.4)	4.7
CONSOLIDATED NET (LOSS) INCOME	<u>(0.9)</u>	<u>28.3</u>	<u>(0.2)</u>	<u>29.9</u>
Less: Net income attributable to noncontrolling interests	1.0	19.3	2.6	21.9
NET (LOSS) INCOME ATTRIBUTABLE TO NCM, INC.	<u>\$ (1.9)</u>	<u>\$ 9.0</u>	<u>\$ (2.8)</u>	<u>\$ 8.0</u>
(LOSS) EARNINGS PER SHARE:				
Basic	\$ (0.03)	\$ 0.17	\$ (0.05)	\$ 0.15
Diluted	\$ (0.03)	\$ 0.16	\$ (0.05)	\$ 0.15

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

	<u>June 28, 2012</u>	<u>December 29, 2011</u>
Cash and cash equivalents	\$ 48.1	\$ 65.9
Short and long-term marketable securities	26.5	32.2
Receivables, net	91.3	98.6
Property and equipment, net	25.4	24.6
Total Assets	794.2	820.2
Long-term borrowings	839.0	794.0
Total equity/(deficit)	(354.5)	(346.8)
Total Liabilities and Equity	794.2	820.2

NATIONAL CINEMEDIA, INC.
Operating Data
Unaudited

	<u>Quarter and Six Months Ended June 28, 2012</u>	<u>Quarter and Six Months Ended June 30, 2011</u>
Total Screens at Period End (1)	19,039	18,137
Founding Member Screens at Period End (2)	15,232	15,291
Total Digital Screens at Period End (3)	18,104	16,775

	<u>Quarter Ended June 28, 2012</u>	<u>Quarter Ended June 30, 2011</u>	<u>Six Months Ended June 28, 2012</u>	<u>Six Months Ended June 30, 2011</u>
Total Attendance for Period (4) (in millions)	175.0	175.6	344.0	308.8
Founding Member Attendance for Period (5) (in millions)	146.7	154.4	289.3	272.7
Capital Expenditures (in millions)	\$ 2.5	\$ 4.1	\$ 4.9	\$ 6.3

- (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.

NATIONAL CINEMEDIA, INC.

Operating Data

Unaudited

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

	<u>Quarter Ended June 28, 2012</u>	<u>Quarter Ended June 30, 2011</u>	<u>Six Months Ended June 28, 2012</u>	<u>Six Months Ended June 30, 2011</u>
Advertising Revenue	\$ 101.3	\$ 98.6	\$ 167.6	\$ 157.7
Total Revenue	110.1	114.0	189.2	184.8
Operating Income	45.3	50.2	62.3	65.2
Total Attendance	175.0	175.6	344.0	308.8
Advertising Revenue / Attendee	\$ 0.579	\$ 0.562	\$ 0.487	\$ 0.511
OIBDA	\$ 50.3	\$ 54.5	\$ 72.2	\$ 74.1
Adjusted OIBDA	53.0	57.7	77.8	81.3
Adjusted OIBDA Margin	48.1%	50.6%	41.1%	44.0%
(Loss) Earnings Per Share – Basic	\$ (0.03)	\$ 0.17	\$ (0.05)	\$ 0.15
(Loss) Earnings Per Share – Diluted	\$ (0.03)	\$ 0.16	\$ (0.05)	\$ 0.15

(See attached tables for the non-GAAP reconciliation)

NATIONAL CINEMEDIA, INC.
Non-GAAP Reconciliations
Unaudited

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 share based payment costs. 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 share based payment costs. 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 non-GAAP 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 <u>June 28, 2012</u>	Quarter Ended <u>June 30, 2011</u>	Six Months Ended <u>June 28, 2012</u>	Six Months Ended <u>June 30, 2011</u>
Operating income	\$ 45.3	\$ 50.2	\$ 62.3	\$ 65.2
Depreciation and amortization	5.0	4.3	9.9	8.9
OIBDA	50.3	54.5	72.2	74.1
Share-based compensation costs (1)	2.7	3.2	5.6	7.2
Adjusted OIBDA	<u>\$ 53.0</u>	<u>\$ 57.7</u>	<u>\$ 77.8</u>	<u>\$ 81.3</u>
Total Revenue	<u>\$ 110.1</u>	<u>\$ 114.0</u>	<u>\$ 189.2</u>	<u>\$ 184.8</u>
Adjusted OIBDA margin	<u>48.1%</u>	<u>50.6%</u>	<u>41.1%</u>	<u>44.0%</u>
Adjusted OIBDA	\$ 53.0	\$ 57.7	\$ 77.8	\$ 81.3
Consolidated Theatres Payments	—	0.5	—	0.8
Adjusted OIBDA after Consolidated Theatres Payments	<u>\$ 53.0</u>	<u>\$ 58.2</u>	<u>\$ 77.8</u>	<u>\$ 82.1</u>

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

Outlook (in millions)

	Quarter Ending September 27, 2012		Year Ending December 27, 2012	
	Low	High	Low	High
Operating Income	\$ 76.4	\$ 81.1	\$ 194.5	\$ 203.0
Depreciation and amortization	4.9	5.1	19.5	20.5
OIBDA	81.3	86.2	214.0	223.5
Share-based compensation costs (1)	2.7	2.8	11.0	11.5
Adjusted OIBDA	<u>\$ 84.0</u>	<u>\$ 89.0</u>	<u>\$ 225.0</u>	<u>\$ 235.0</u>
Total Revenue	<u>\$ 141.0</u>	<u>\$ 147.0</u>	<u>\$ 460.0</u>	<u>\$ 470.0</u>

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

Net Income (Loss) and Earnings (Loss) Per Share Excluding the Loss on Swap Terminations and the Write-off of Debt Issuance Costs

Net income (loss) excluding the loss on swap terminations and the write-off of debt issuance costs and earnings (loss) per share excluding the loss on swap terminations and the write-off of debt issuance costs are not financial measures calculated in accordance with generally accepted accounting principles (GAAP) in the United States. Net income (loss) excluding the loss on swap terminations and the write-off of debt issuance costs and earnings (loss) per share excluding the loss on swap terminations and the write-off of debt issuance costs are calculated using reported net income (loss) and earnings (loss) per share and adding back the charge related to the loss on swap terminations and the write-off of debt issuance costs. 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 (loss)

excluding the loss on swap terminations and the write-off of debt issuance costs should not be regarded as an alternative to net income (loss) and earnings (loss) per share excluding the loss on swap terminations and the write-off of debt issuance costs should not be regarded as an alternative to earnings (loss) 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 (loss) and earnings (loss) 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 (loss) and earnings (loss) per share as reported to net income excluding the loss on swap terminations and the write-off of debt issuance costs and earnings per share excluding the loss on swap terminations and the write-off of debt issuance costs for the periods presented (dollars in millions):

	Quarter Ended June 28, 2012	Quarter Ended June 30, 2011	Six Months Ended June 28, 2012	Six Months Ended July 30, 2011
Net (Loss) Income as reported	\$ (1.9)	\$ 9.0	\$ (2.8)	\$ 8.0
Loss on swap terminations	26.7	—	26.7	—
Write-off of debt issuance costs	2.5	—	2.5	—
Effect of noncontrolling interest (51.4% and 51.3%, respectively)	(15.0)	—	(15.0)	—
Effect of provision for income taxes (38% effective rate)	(5.4)	—	(5.4)	—
Net effect of loss on swap terminations and write-off of debt issuance costs	<u>8.8</u>	<u>—</u>	<u>8.8</u>	<u>—</u>
Net income excluding loss on swap terminations and write-off of debt issuance costs	<u>\$ 6.9</u>	<u>\$ 9.0</u>	<u>\$ 6.0</u>	<u>\$ 8.0</u>
Weighted Average Shares Outstanding as reported				
Basic	54,442,398	53,912,351	54,291,816	53,801,768
Diluted	54,442,398	54,814,211	54,291,816	54,674,293
Weighted Average Shares Outstanding as adjusted				
Basic	54,442,398	53,912,351	54,291,816	53,801,768
Diluted	55,051,319	54,814,211	54,951,208	54,674,293
Basic earnings per share as reported	\$ (0.03)	\$ 0.17	\$ (0.05)	\$ 0.15
Net effect of loss on swap terminations and write-off of debt issuance costs	<u>0.16</u>	<u>—</u>	<u>0.16</u>	<u>—</u>
Basic earnings per share excluding loss on swap terminations and write-off of debt issuance costs	<u>\$ 0.13</u>	<u>\$ 0.17</u>	<u>\$ 0.11</u>	<u>\$ 0.15</u>
Diluted earnings per share as reported	\$ (0.03)	\$ 0.16	\$ (0.05)	\$ 0.15
Net effect of loss on swap terminations and write-off of debt issuance costs	<u>0.16</u>	<u>—</u>	<u>0.16</u>	<u>—</u>
Diluted earnings per share excluding loss on swap terminations and write-off of debt issuance costs	<u>\$ 0.13</u>	<u>\$ 0.16</u>	<u>\$ 0.11</u>	<u>\$ 0.15</u>