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: June 20, 2011

National CineMedia, Inc.

(Exact name of registrant as specified in its charter)

Delaware	001-33296	20-5665602
(State or other jurisdiction of incorporation)	(Commission file number)	(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))

Item 1.01 Entry Into a Material Definitive Agreement.

On June 20, 2011, National CineMedia, Inc.'s (the "Company") consolidated subsidiary, National CineMedia, LLC ("LLC"), entered into an amendment (the "Amendment") to LLC's senior secured credit facility (the "Credit Facility") which was entered into on February 13, 2007. Barclays Bank PLC, is administrative agent for certain lenders that are party to the Credit Facility. The effectiveness of the Amendment is conditioned upon, among other things, the completion of a senior unsecured notes offering. If the senior unsecured notes offering is not completed the Amendment is ineffective.

Under the Amendment, among other things:

- the existing six-year $66 million revolving credit facility that terminates on February 13, 2013, will be replaced with a new $105 million revolving credit facility that will terminate on December 31, 2014;
- the $14 million outstanding revolving loan from Lehman (not subject to pro rata prepayment or re-borrowing) will stay in place and will also mature on December 31, 2014;
- the negative covenants of LLC will be amended to permit LLC to issue senior notes and other unsecured indebtedness subject to certain conditions;
- the unused line fee will increase from 0.375% per annum to 0.50% per annum;
- the amount of permitted investments by LLC will increase; and
- the definition of available cash will be amended to (i) disregard the effect of certain debt issuances and (ii) level out the impact on available cash of certain capital expenditures.

The amendment requires LLC to use at least $175 million of the net proceeds of a senior notes offering to prepay the term loans under the Credit Facility. The consenting lenders further agreed that there will be no breakage costs associated with the prepayment of indebtedness from proceeds of the senior notes offering or the replacement of the revolving credit facility.

Item 7.01 Regulation FD Disclosure.

The Company hereby furnishes certain business information (the "Business Information") and unaudited quarterly financial information (the "Financial Information") regarding LLC for purposes of satisfying its obligations under Regulation FD with respect to certain non-public information included in the offering memorandum distributed in connection with the private placement referred to below. The Business Information and the Financial Information are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 7.01, including the exhibits, 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 8.01 Other Events.

On June 22, 2011, the Company issued a press release announcing the commencement by LLC of a proposed private placement of senior notes. A copy of the press release is attached as Exhibit 99.3 to this Current Report on Form 8-K and is incorporated herein by reference.

* * * * *

The information contained in this Current Report on Form 8-K, including the exhibits, contains forward-looking statements provided by the Company pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995. The forward-looking statements include those relating to the proposed private placement, whether or not LLC will consummate the proposed private placement and LLC's plans to repay certain borrowings under its term loan and revolving credit facility. These statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results to be materially different than those expressed or implied in such statements. These factors include, but are not limited to: 1) changes in the Exhibitor Services Agreements ("ESAs") or lack of support by our founding members; 2) non-competition provisions of the ESAs being deemed unenforceable; 3) bankruptcy of one of the founding members; 4) national, regional and local economic conditions that may affect the markets in which we operate; 5) the levels of expenditures on advertising in general and cinema advertising in particular; 6) increased competition within the overall advertising industry; 7) technological changes and innovations, including 3D, digital cinema, alternative methods for delivering movies to consumers and failures or disruptions of our technology systems; 8) failure to effectively manage or continue our growth; 9) the popularity of major motion picture releases and level of theatre attendance, including at founding members' theatres; 10) failure to retain our senior management; 11) shifts in population and other demographics; 12) infringement of our technology on intellectual property rights owned by others; 13) our ability to renew expiring advertising contracts at favorable rates, or to replace them with new contracts that are comparably favorable to us; 14) our need for, and ability to obtain, additional funding for acquisitions and operations; 15) our founding members' ability to compete with us, influence our affairs and benefit from corporate opportunities that might otherwise be available to us; 16) risks and uncertainties relating to our significant indebtedness and investments, including the availability and adequacy of cash flows to meet our debt service requirements; 17) fluctuations in operating costs, capital expenditures, revenue and Adjusted OIBDA; 18) determination that the Company or any of our founding members is an investment company; 19) determination that any amount of our tax benefits should not have been available; 20) changes in market interest rates and stock prices; 21) changes in accounting principles, policies, guidelines or internal control over financial reporting; 22) LLC's ability to consummate the proposed private placement; and 23) other factors discussed from time to time in the Company's news releases, public statements and/or filings with the Securities and Exchange Commission, especially the "Risk Factors" sections of Annual and Quarterly Reports on Forms 10-K and 10-Q. Forward-looking information is provided by the Company pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. In addition, the Company disclaims any intent or obligation to update these forward-looking statements.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Business Information.
99.2	Unaudited financial statements of National CineMedia, LLC as of and for the quarter ended March 31, 2011 (and comparative periods).
99.3	Press Release of National CineMedia, Inc. dated June 22, 2011.

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: June 22, 2011

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

Business Information

Overview of the business

We operate the largest digital in-theatre media network in North America, through which we sell in-theatre and online advertising and promotions and Fathom Events (both business and consumer entertainment events). Our advertising pre-show called "*FirstLook*," lobby entertainment network, or LEN, programming and Fathom Events are distributed across our digital content network, or DCN, and live digital broadcast network, or DBN, utilizing our proprietary digital content software, or DCS. We have long-term ESAs with each of our founding members (AMC, Cinemark and Regal) and multi-year agreements with several other theatre operators (whom we refer to as network affiliates). The ESAs and network affiliate agreements grant us exclusive rights in their theatres, subject to limited exceptions, to sell advertising, and to sell and distribute entertainment programming and meeting and communication services through our Fathom Events division. The ESAs require that all founding members' new or acquired theatres be added to our network in return for the issuance of new NCM LLC units. Our sole manager is NCM Inc., a public company whose common stock is traded on The Nasdaq Global Select Market under the symbol "NCMI."

We currently derive revenue principally from the following activities:

- ***Advertising:*** We develop, produce, sell and distribute several versions of *FirstLook* on theatre screens and advertising programming on our LEN. We also sell other forms of advertising and promotions in theatre lobbies. For the quarter ended March 31, 2011 and the year ended December 30, 2010, advertising accounted for 83.5% and 88.7%, respectively, of our total revenue.
- ***Fathom Events and other:*** We produce, market and distribute entertainment programming through the Fathom Consumer division, and multi-site corporate communication and marketing events through the Fathom Business division to theatres across our DCN (for pre-recorded events) and DBN (for both live and pre-recorded events). Our Fathom Business division also facilitates business meetings and church services in individual movie theatres throughout our theatre network. For the quarter ended March 31, 2011 and the year ended December 30, 2010, Fathom Events accounted for 16.5% and 11.3%, respectively, of our total revenue.

Our competitive strengths

We believe that our key competitive strengths include:

Superior national advertising network

We believe that our national advertising network delivers measurable results by allowing for effective targeting of marketing messages to a large, young and affluent audience, yielding a superior return on investment for advertisers as compared to traditional national and local media platforms. As a result, we are able to compete more effectively for marketing spending through our relationships with a diversified group of local and national advertisers and agencies throughout the U.S. The following are the key competitive strengths of our advertising network:

- *Extensive national market coverage*. As of March 31, 2011, our advertising network included 17,196 screens located in 1,371 theatres in 47 states and the District of Columbia. Approximately 16,100 of these screens are connected to our DCN.

  During 2010, the total advertising network theatre attendance was approximately 637 million. Our network represented approximately 50% of the total U.S. theatre attendance, with some of the most modern and highly attended theatres in the industry, as measured by screens per location and attendance per screen. In addition, as of March 31, 2011, our advertising network had theatres in the largest U.S. markets, including each of the top 25 U.S. Designated Market Areas®, or DMAs®, 49 of the top 50 DMAs® and 170 DMAs® in total.

At the end of 2010, theatres within our advertising network represented approximately 70% of the total theatre attendance in theatres that showed national advertising in both the top 10 and top 25 U.S. DMAs® and 63% for all DMAs®, providing a very attractive platform for national advertisers who want exposure in larger markets or on a national basis.

- *Targeted, flexible advertising medium*. Our digital network technology gives us the flexibility to distribute content to specific theatres or screens, geographic regions, or demographic groups based on film title, film genres or film rating category. As a result, our clients can deliver a targeted advertising message, using high quality sight, sound and motion, across our national digital network. Further, our technology shortens distribution lead times, reduces our and our advertising clients' operating costs and enables us to respond quickly to client requests to change advertising content.
- *Access to a highly attractive demographic segment*. We offer advertisers the ability to reach young and affluent consumers. According to a *Nielsen Cinema Audience Report* study conducted in the second quarter of 2010, typical moviegoers are young, with 48% between the ages of 12-34. These moviegoers are affluent, with a mean household income of over $77,000 (9% higher than the national average); and well-educated, with 33% of the heads of these households having a Bachelor's degree or higher (14% greater than the national average), according to the *GfK MRI TwelvePlus Study*. We believe that this demographic is highly coveted by advertisers and is difficult to reach effectively using most traditional media platforms.
- *Engaged theatre audience*. We believe that cinema advertising benefits from the impact of the big screen, high quality visual presentation, and digital surround sound presented in an engaged, distraction-free theatre environment. Cinema advertising is one of the few media platforms that the viewer does not have the ability to skip or turn off. According to industry studies, theatre advertising is more effective than advertising shown on television as measured by unaided recall rates.
- *Superior audience measurability*. We receive weekly attendance information by film, by rating and by screen for 100% of our founding member theatres and the majority of the theatres operated by our network affiliates, which allows us to report to clients the audience size for each showing of a film and our pre-show. We also obtain third-party research that provides us with the percentage of the total attendance that is in their seats at various times prior to the advertised show time. The sharing of this information with our national clients gives us a distinct competitive advantage over traditional media platforms that are based on significant extrapolations of a very small sample of the total audience.

Since NCM Inc.'s February 2007 IPO, the founding members have added approximately 800 net new screens to our network. This excludes the 2010 acquisition of certain Kerasotes theatres by AMC and Regal as they were already a part of our network through network affiliate agreements. While these acquisitions did not expand our network they did extend the term of our agreement with respect to Kerasotes' over 900 screens from less than two years to the approximately 27 years then remaining in the primary term of the ESAs. In June 2011, the Consolidated Theatre circuit, which was acquired by Regal in 2008, will add approximately 399 screens to our network, and 475 screens recently acquired by Rave will join our network as their respective existing screen advertising agreements expire. During the first half of 2011 we entered into multi-year network affiliate agreements with Showplex Cinemas, Inc. with 83 screens, Digital Cinema Destinations Corp. with 100 screens, Coming Attractions with 157 screens and VSS-Southern Theatres with 278 screens, all of which will join our advertising network in 2011. These 2011 additions, combined with the full year effect of the 86 theatres with 826 screens that were added to our network in 2010, are expected to further enhance our market share of theatre attendance by increasing our 2011 network attendance by over 72 million attendees. This increased advertising reach and improved geographic coverage is expected to improve our competitive positioning versus television, the internet and other traditional national advertising networks.

Scalable, state-of-the-art digital content distribution technology

Our use of the combination of a satellite and terrestrial network technology, combined with the design and functionality of our DCS and network operations center, or NOC, infrastructure make our network efficient and scalable and allow us to target specific audiences desired by our advertising clients and provide scheduling flexibility that is similar to advertising on television. We currently distribute over 3.4 million digital content files per day. Our DCN combined with a telephone bridge can also facilitate two-way interaction amongst participants attending Fathom Business meetings. Through our separate DBN, we can distribute live programming to over 640 locations.

As of March 31, 2011, our advertising network has approximately 16,100 digital screens, covering approximately 95% of our network attendance. In 2010, we began to connect our DCN to the higher quality digital cinema projectors being installed by our founding members and network affiliates. As of March 31, 2011, we had over 3,700 screens within our digital network that were connected to digital cinema projection equipment. These digital cinema projectors will provide a much higher quality 2D image and the ability to project 3D advertising on screens that are equipped with 3D technology.

Our NOC, DCS and other network software also provide us with the capability to directly monitor over 61,000 in-theatre network devices and 319,000 maintenance alarm technology points within our theatre network on a near real-time 24 / 7 basis as of December 30, 2010, providing high network reliability and timely reporting as required by our advertising clients. During 2010 we also began to install in select theatres a new device that we created (and have filed for a patent) to monitor sound levels in theatre auditoriums and report any variations from pre-set standards to our NOC.

Innovative, branded digital pre-feature content

We believe that our digital entertainment and advertising pre-feature programs, *FirstLook* and *FirstLook Play* (whose target audience is young children), provide a high-quality entertainment experience for patrons and an effective marketing platform for advertisers. Our research has indicated that the percentage of theatre patrons who had a negative impression of our pre-show has dropped from approximately 25% in 2003 to approximately 4% in 2010. We designed the *FirstLook* programs with separate local and national "pods," consistent with the placement on television networks. In addition, in 2010 we began to produce a 3D segment of the *FirstLook*. We believe that the ability to distribute 3D advertisements across our national network is a future growth area for us.

Integrated marketing products

Along with our on-screen advertising opportunities, we offer advertisers the opportunity to integrate and reinforce their on-screen advertisements with various online marketing, in-lobby and Fathom Event sponsorships.

- Our online marketing includes advertisement placement on our *ncm.com*, *FathomEvents.com*, and *movienightout.com* websites and on our *Movie Mystic* and *Movie Night Out* mobile apps. Combined, these websites and mobile apps are part of our online advertising network that as of March 31, 2011 includes over 43 entertainment websites with approximately 50 million monthly unique visitors.
- Our in-lobby marketing programs include advertisements displayed on television or high-definition plasma screens, posters, tickets, box office coupon handouts, concession items and on-site product sampling opportunities.
- Our Fathom Event sponsorships provide companies the opportunity to associate their brand with Fathom Events as part of in-theatre and online event advertising as well as during event pre-shows.

Exposing patrons to an integrated marketing campaign of online, in-lobby, Fathom Events marketing products and on-screen advertising creates a consistent marketing message through multiple touch points during the entire moviegoing or Fathom Event experience, from choosing a film or event online through the subsequent entertainment experience in the theatres and subsequent online/mobile social interaction.

Strong operating margins with limited capital requirements

The combination of our strong Adjusted OIBDA margins (as defined above under "Glossary"), ranging from approximately 50% to 52% over the last four years, and our limited capital expenditures, ranging from approximately 2% to 5% of revenues over the last four years, has allowed us to generate significant unlevered free cash flow (defined as operating income (or loss) before depreciation and amortization expense and minus capital expenditures).

Our strategy

We believe the digital evolution of the media business, coupled with our unique asset base and management competencies, will provide us with an opportunity to become a new breed of national digital media network that will gain market share from other established media networks. Our primary strategic initiatives are to:

Expand our geographic coverage and reach

Our strategy is to continue to expand our theatre network through the acquisition and new construction activities of our founding members and by creating new relationships with new regionally located network affiliates with theatres in smaller markets where we do not currently have significant market coverage. By increasing our advertising reach and broadening our geographic coverage, we believe we will be better able to compete with other traditional national media platforms such as television networks and new emerging advertising platforms distributed over the internet and mobile devices.

Expand our advertising client base

National advertising. We intend to increase our share of U.S. advertising spending and our advertising inventory utilization by expanding our relationships with existing advertising clients and by growing our advertising client base. Our national sales team has been successful in this effort, as during 2010, we added 51 first-time clients and nine additional clients that had not advertised with us since NCM Inc.'s IPO, which clients include categories such as domestic auto, video game software, home video equipment, credit cards, telecom hardware, insurance underwriters and cable television. Despite this growth, we believe there are still thousands of clients that currently do not use our network. For instance, our share of spending by clients in the quick serve restaurant (QSR), consumer packaged goods (CPG) and retailer categories, among other categories, is relatively low compared to their spending on television. In addition to the continued expansion of our network, we are aggressively marketing and selling the positive attributes of our network relative to other mediums, including a unique integrated marketing product that bundles our in-theatre, online/mobile and Fathom Events sponsorship platforms. We believe that over time, these tactics will help increase our market share of spending by more clients and client categories. We also believe that our ability to attract new clients will be enhanced as we expand our capabilities to distribute 3D advertisements as we increase the number of digital cinema projectors in our network. We expect that by mid-2012, over 90% of our network screens will be equipped with the higher quality digital cinema projectors, with 30% to 50% of the screens in the majority of theatres capable of projecting 3D advertising.

Local advertising. In addition to continuing to add high quality local salespeople to properly cover the expanding number of screens in our network, we have also begun to add regional sales positions to focus exclusively on larger local clients, such as car dealer associations, state lotteries and insurance companies, that operate across an entire DMA®, multiple DMAs® or states. This regional sales strategy has proven successful, and we are now expanding this effort to other client categories, including QSR, casual dining and tourism. We have also benefitted from our efforts to reduce local salesperson attrition, by providing balanced commissions and benefits packages and training and other corporate support.

Increase our national CPM

In 2010, our national on-screen advertising cost per thousand, or CPM, was approximately 2.3 times the average U.S. primetime premium network television CPM, reported by Nielsen. We believe that this premium does not yet fully reflect the positive attributes of cinema advertising relative to other advertising mediums, including the ability to distribute 3D advertisements. In fact, according to research studies, cinema advertising CPMs as a multiple of primetime network television CPMs are much higher in more mature cinema advertising markets such as Europe and Australia. Given this, we believe that our cinema CPMs in the U.S. will continue to increase over time as we sell more of our advertising inventory and thus create a more favorable supply-demand relationship and we benefit from selling more of the higher CPM 3D advertisements.

Expand our internet/mobile platform

Advertising clients are increasingly seeking new ways to create integrated marketing solutions across multiple digital platforms. By bundling our in-theatre marketing products with online and mobile inventory provided by our consumer websites *ncm.com*, *fathomevents.com*, *movienightout.com*, our mobile apps *Movie Mystic* and *Movie Night Out* and the 43 entertainment websites and mobile apps that are part of our online advertising network, we allow clients to benefit from a bundle of digital marketing products focused on the entertainment consumer.

Expand our Fathom Events business by expanding and improving our network and programming and increasing consumer and client awareness

Our strategy to expand the geographic reach of our Fathom distribution network and improve its technical capabilities with the higher quality digital cinema projectors will allow us to compete more effectively with other national media networks for entertainment content and with hotels and other meeting venues for business communication and marketing events. While all of our digital screens have the capability to deploy pre-recorded content, we will continue to expand our live 2D broadcast capabilities and in many locations provide for live 3D distribution. As of March 31, 2011 we have 643 live DBN locations with approximately 229,000 seats in 99 of the top 100 DMAs®, and 163 DMAs® in total. Our live capability and 3D programming technologies have helped us successfully negotiate multi-event agreements with the Metropolitan Opera and the LA Philharmonic. We expect to leverage these same technologies with sporting, concert and other events where our 3D capabilities provide a new and different experience versus television. As our scale expands, we will also begin to invest more heavily in marketing personnel and more robust marketing plans to support consumer entertainment, corporate communications and marketing events. We have also begun to market and sell event sponsorships to provide event production funding, cross-marketing opportunities and incremental revenue.

We are discussing a restructuring of the Fathom Events business relationship with our founding members that focuses on the various value propositions provided by the Fathom business and maximizing the benefits associated with the new digital cinema technology being deployed in the founding member theatres. The discussions with the founding members are preliminary and we do not know how the existing relationship might be changed or if it will be changed.

Upgrade our advertising sales and inventory management systems

We are currently upgrading and improving our advertising sales and inventory management systems. We believe that these improvements should enable us to more promptly respond to client requests for proposals, help provide real-time access to pricing and availability information, improve our data analysis and reporting and more effectively manage a larger network as we continue to grow.

Improve content presentation within our network

During 2010 we upgraded the visual quality and sound of our *FirstLook* pre-show and launched a 3D advertising pod within the *FirstLook* pre-show prior to 3D films. We will continue to focus on improving the quality and entertainment value of the *FirstLook* pre-show through the continued expansion of our creative community relationships and by leveraging the higher quality digital cinema projectors being installed in our network that will provide higher quality 2D and 3D advertising.

Summary financial and operating data

The results of operations data, other financial data and operating data for the quarters ended March 31, 2011 and April 1, 2010, the last twelve months ended March 31, 2011 and the years ended December 30, 2010, December 31, 2009 and January 1, 2009 and the balance sheet data as of March 31, 2011, April 1, 2010, December 30, 2010, December 31, 2009 and January 1, 2009 are derived from the financial statements of NCM LLC. The results of operations data, other financial data and operating data, respectively, for the last 12-months ended March 31, 2011 were derived by adding our results of operations data, other financial data and operating data for the year ended December 31, 2010 to our results of operations data, other financial data and operating data for the quarter ended March 31, 2011, 2009, and subtracting our results of operations data, other financial data and operating data for the quarter ended April 1, 2010. Our results of operations data, other financial data and operating data for the quarters ended March 31, 2011 and April 1, 2010 and for the last 12- months ended March 31, 2011 are not necessarily indicative of the results for a full fiscal year.

	Last 12 months ended March 31, 2011	Quarter ended March 31, 2011	Quarter ended April 1, 2010	Year ended December 30, 2010	Year ended December 31, 2009	Year ended January 1, 2009
	(in millions, except screen data and Advertising Revenue per Attendee)					
Results of Operations Data						
Advertising Revenue	$ 370.7	$ 59.1	$ 67.8	$ 379.4	$ 335.1	$ 330.3
Total Revenue	413.6	70.8	84.6	427.5	380.7	369.5
Operating Income	179.4	15.0	26.4	190.6	168.2	173.2
Net Income	132.0	5.1	12.9	139.5	128.5	95.3
Other Financial Data						
OIBDA(1)	$ 197.8	$ 19.6	$ 30.4	$ 208.4	$ 183.8	$ 185.6
Adjusted OIBDA(1)	213.7	23.6	32.5	222.4	189.3	189.5
Adjusted OIBDA Margin(1)	51.7%	33.3%	38.4%	52.0%	49.7%	51.3%
Capital Expenditures	$ 10.5	$ 2.2	$ 2.1	$ 10.4	$ 8.6	$ 16.7
Interest expense and other, net	46.8	9.8	12.7	49.9	38.1	65.8
Operating Data						
Founding Member Screens at Period End(2)(6)	14,901	14,901	14,344	14,997	14,401	14,331
Total Screens at Period End(3)(6)	17,196	17,196	17,076	17,302	16,803	17,313
Digital Screens at Period End(4)(6)	16,088	16,088	15,526	16,003	15,413	15,263
Total Theatre Attendance for Period(5)(6)	608.7	133.2	161.9	637.4	667.2	643.0
Total Advertising Revenue	$ 370.7	$ 59.1	$ 67.8	$ 379.4	$ 335.1	$ 330.3
Total Advertising Revenue per Attendee	$ 0.61	$ 0.44	$ 0.42	$ 0.60	$ 0.50	$ 0.51

	As of March 31, 2011	As of April 1, 2010	As of December 30, 2010	As of December 31, 2009	As of January 1, 2009
Balance Sheet Data					
Cash and Cash Equivalents	$ 8.1	$ 34.2	$ 13.8	$ 37.8	$ 34.1
Receivables, Net	60.0	52.8	100.1	89.0	92.0
Property and Equipment, Net	19.6	22.7	19.8	23.7	28.0
Total Assets	372.2	301.3	426.0	304.4	279.9
Borrowings	778.0	805.0	775.0	799.0	799.0
Members' Deficit	(508.5)	(600.1)	(506.6)	(639.6)	(685.6)
Total Liabilities and Members' Deficit	372.2	301.3	426.0	304.4	279.9

	As of March 31, 2011(7)	As of December 30, 2010	As of December 31, 2009	As of January 1, 2009	As of Dec. 27, 2007
Other Data					
Ratio of secured debt to Adjusted OIBDA	3.6x	3.5x	4.2x	4.2x	4.7x
Ratio of total debt to Adjusted OIBDA	3.6x	3.5x	4.2x	4.2x	4.7x

Notes to the summary financial and operating data

1. OIBDA, Adjusted OIBDA and Adjusted OIBDA margin (as such terms are defined in "Glossary" above) are not financial measures calculated in accordance with accounting principles generally accepted in the United States (GAAP). These non-GAAP financial measures are used by management to evaluate operating performance and 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 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 non-GAAP presentations may not be comparable to other similarly titled measures of other companies or calculations in the Company's debt agreements.

OIBDA and Adjusted OIBDA do not reflect the AMC Loews or Regal Consolidated Theatres integration payments. The integration payments received are added to Adjusted OIBDA to determine our compliance with financial covenants under our senior secured credit facility. AMC made Loews payments to NCM LLC pursuant to the AMC Loews screen integration agreement through April 2009, which were $0.1 million and $4.7 million for the years ended December 31, 2009 and January 1, 2009, respectively. Regal made Consolidated Theatres payments to NCM LLC pursuant to the revised ESAs, which were $0.2 million, $0.4 million, $3.9 million and $3.2 million for the quarters ended March 31, 2011 and April 1, 2010 and the years ended December 30, 2010 and December 31, 2009, respectively.

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

	Last 12 months ended March 31, 2011	Quarter ended March 31, 2011	Quarter ended April 1, 2010	Year ended December 30, 2010	Year ended December 31, 2009	Year ended January 1, 2009
					(dollars in millions)	
Operating income (loss)	$ 179.4	$ 15.0	$ 26.4	$ 190.6	$ 168.2	$ 173.2
Depreciation and amortization	18.4	4.6	4.0	17.8	15.6	12.4
OIBDA	$ 197.8	$ 19.6	$ 30.4	$ 208.4	$ 183.8	185.6
Severance plan costs	—	—	—	—	—	0.5
Share-based compensation costs(a)	15.9	4.0	2.1	14.0	5.5	3.4
Adjusted OIBDA	$ 213.7	$ 23.6	$ 32.5	$ 222.4	$ 189.3	$ 189.5
Total Revenue	$ 413.6	$ 70.8	$ 84.6	$ 427.5	$ 380.7	$ 369.5
Adjusted OIBDA margin	51.7%	33.3%	38.4%	52.0%	49.7%	51.3%

(a) Share-based payment costs are included in network operations, selling and marketing administrative expense and administrative fee—managing member in the accompanying unaudited condensed financial statements.

2. Represents the sum of founding member screens.
3. Represents the total screens within NCM LLC’s advertising network.
4. Represents the total number of screens that are connected to our DCN.
5. Represents the total attendance within NCM LLC’s advertising network.
6. Excludes AMC Loews for all periods prior to June 2008 and excludes Star Theatres for periods prior to April 2009. Excludes Consolidated Theatres for all periods presented. Consolidated Theaters will become part of our network in June 2011.
7. Adjusted OIBDA calculations are based on last 12 months ended March 31, 2011.

Exhibit 99.2

Index to Financial Statements

NATIONAL CINEMEDIA, LLC (Unaudited)

National CineMedia, LLC
Condensed balance sheets
(In millions)
(Unaudited)

	March 31, 2011	December 30, 2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 8.1	$ 13.8
Receivables, net of allowance of $4.0 and $3.7 million, respectively	60.0	100.1
Prepaid expenses	2.1	1.7
Prepaid management fees to managing member	0.8	0.8
Total current assets	71.0	116.4
PROPERTY AND EQUIPMENT, net of accumulated depreciation of $48.8 and $46.4 million, respectively	19.6	19.8
INTANGIBLE ASSETS, net of accumulated amortization of $13.0 and $10.8 million, respectively	267.4	275.2
OTHER ASSETS:		
Debt issuance costs, net	6.9	7.3
Other investment	6.7	6.7
Other long-term assets	0.6	0.6
Total other assets	14.2	14.6
TOTAL	$ 372.2	$ 426.0
LIABILITIES AND MEMBERS' EQUITY/(DEFICIT)		
CURRENT LIABILITIES:		
Amounts due to founding members	5.3	25.2
Amounts due to managing member	9.4	28.2
Accrued expenses	7.0	8.6
Current portion of long-term debt	0.0	1.2
Current portion of interest rate swap agreements	25.3	25.3
Accrued payroll and related expenses	4.9	9.3
Accounts payable	6.6	10.5
Deferred revenue and other current liabilities	4.8	3.8
Total current liabilities	63.3	112.1
NON-CURRENT LIABILITIES:		
Borrowings	778.0	775.0
Interest rate swap agreements	39.4	45.5
Total non-current liabilities	817.4	820.5
Total liabilities	880.7	932.6
COMMITMENTS AND CONTINGENCIES (NOTE 7)		
MEMBERS' EQUITY/(DEFICIT)	(508.5)	(506.6)
TOTAL	$ 372.2	$ 426.0

See accompanying notes to financial statements.

National CineMedia, LLC
Condensed statements of operations
(In millions)
(Unaudited)

	Quarter ended March 31, 2011	Quarter ended April 1, 2010
REVENUE:		
Advertising (including revenue from founding members of $8.3 and $9.6 million, respectively)	$ 59.1	$ 67.8
Fathom Events	11.7	16.8
Total	70.8	84.6
OPERATING EXPENSES:		
Advertising operating costs	3.5	4.5
Fathom Events operating costs (including costs to founding members of $1.9 and $2.4 million, respectively)	7.6	11.1
Network costs	4.6	4.7
Theatre access fees—founding members	12.1	12.9
Selling and marketing costs	14.6	13.1
Administrative costs	4.8	4.4
Administrative fee—managing member	4.0	3.5
Depreciation and amortization	4.6	4.0
Total	55.8	58.2
OPERATING INCOME	15.0	26.4
Interest Expense and Other, Net:		
Interest on borrowings	10.9	11.0
Change in derivative fair value	(1.2)	1.7
Interest income and other	0.1	0.0
Total	9.8	12.7
INCOME BEFORE INCOME TAXES	5.2	13.7
Provision for Income Taxes	0.1	0.2
Equity loss from investment, net	0.0	0.6
NET INCOME	$ 5.1	$ 12.9

See accompanying notes to financial statements.

National CineMedia, LLC
Condensed statements of cash flows
(In millions)
(Unaudited)

	Quarter ended March 31, 2011	Quarter ended April 1, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 5.1	$ 12.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4.6	4.0
Non-cash severance and share-based compensation	1.7	0.8
Non-cash impairment and related loss		
Net unrealized loss (gain) on hedging transactions	(1.2)	1.7
Equity loss from investment	0.0	0.6
Amortization of debt issuance costs	0.4	0.4
Other non-cash operating activities	0.0	0.3
Changes in operating assets and liabilities:		
Receivables—net	40.1	36.2
Accounts payable and accrued expenses	(9.8)	(13.4)
Amounts due to founding members and managing member	(1.1)	0.0
Other operating	0.4	1.4
Net cash provided by operating activities	40.2	44.9
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(2.1)	(2.0)
Net cash used in investing activities	(2.1)	(2.0)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	45.0	6.0
Repayments of borrowings	(43.2)	(1.0)
Founding members and managing member integration payments	1.1	1.2
Distributions to founding members and managing member	(49.8)	(53.2)
Unit settlement for share-based compensation	3.1	0.5
Net cash used in financing activities	(43.8)	(46.5)
CHANGE IN CASH AND CASH EQUIVALENTS	(5.7)	(3.6)
CASH AND CASH EQUIVALENTS:		
Beginning of period	13.8	37.8
End of period	$ 8.1	$ 34.2

See accompanying notes to financial statements.

National CineMedia, LLC
Condensed statements of cash flows (continued)
(In millions)
(Unaudited)

	Quarter ended March 31, 2011	Quarter ended April 1, 2010
Supplemental disclosure of non-cash financing and investing activity:		
Purchase of an intangible asset with equity (equity returned)	$ (5.5)	$ 39.8
Increase in property and equipment not requiring cash in the period	$ 0.0	$ 0.3
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 10.7	$ 18.1
Cash paid for income taxes	$ 0.1	$ 0.2

See accompanying notes to financial statements.

1. The company

Description of business

National CineMedia, LLC ("NCM LLC" or "the Company") commenced operations on April 1, 2005 and operates the largest digital in-theatre network in North America, allowing NCM LLC to distribute advertising, Fathom entertainment programming events and corporate events under long-term exhibitor services agreements ("ESAs") with American Multi-Cinema, Inc. ("AMC"), a wholly owned subsidiary of AMC Entertainment, Inc. ("AMCE"), Regal Cinemas, Inc., a wholly owned subsidiary of Regal Entertainment Group ("Regal"), and Cinemark USA, Inc. ("Cinemark USA"), a wholly owned subsidiary of Cinemark Holdings, Inc. ("Cinemark"). AMC, Regal and Cinemark and their affiliates are referred to in this document as "founding members". NCM LLC also provides such services to certain third-party theatre circuits under "network affiliate" agreements, which expire at various dates.

At March 31, 2011, NCM LLC had 110,635,685 common membership units outstanding, of which 53,755,721 (48.6%) were owned by National CineMedia, Inc. ("NCM Inc." or "managing member"), 22,060,262 (19.9%) were owned by Regal, 17,495,920 (15.8%) were owned by Cinemark and 17,323,782 (15.7%) were owned by AMC. The membership units held by the founding members are exchangeable into NCM Inc. common stock on a one-for-one basis.

Basis of presentation

The Company has prepared the unaudited condensed financial statements and related notes of NCM LLC in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, certain information and footnote disclosures typically included in an annual report have been condensed or omitted for this quarterly report. Therefore, the unaudited condensed financial statements should be read in conjunction with the NCM LLC audited financial statements and notes thereto included elsewhere in this document.

In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly in all material respects the financial position, results of operations and cash flows for all periods presented have been made. The Company's business is seasonal and for this and other reasons operating results for interim periods may not be indicative of the Company's full year results or future performance. As a result of the various related-party agreements discussed in Note 5, the operating results as presented are not necessarily indicative of the results that might have occurred if all agreements were with non-related third parties.

On February 13, 2007, NCM Inc., a Company formed by NCM LLC and incorporated in the State of Delaware with the sole purpose of becoming a member and sole manager of NCM LLC, completed its initial public offering ("IPO").

Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include those related to the reserve for uncollectible accounts receivable, and equity-based compensation. Actual results could differ from those estimates.

2. Significant accounting policies

The Company's annual financial statements included elsewhere in this document contain a complete discussion of the Company's significant accounting policies.

Receivables—Bad debts are provided for using the allowance for doubtful accounts method based on historical experience and management's evaluation of outstanding receivables at the end of the period. Receivables are written off when management determines amounts are uncollectible. Trade accounts receivable are uncollateralized and represent a large number of geographically dispersed debtors. At March 31, 2011, there were two advertising agency groups through which the Company sources national advertising revenue representing approximately 11% and 20%, of the Company's outstanding gross receivable balance; however, none of the individual contracts related to the advertising agencies were more than 10% of advertising revenue. At December 30, 2010 there were two advertising agency groups through which the Company sources national advertising revenue representing approximately 17% and 21%, of the Company's outstanding gross receivable balance; however, none of the individual contracts related to the advertising agencies were more than 10% of advertising revenue. The collectability risk is reduced by dealing with large, national advertising agencies who have strong reputations in the advertising industry and clients with stable financial positions.

Other investment—Through March 15, 2010, the Company accounted for its investment in RMG Networks, Inc., ("RMG") (formerly Danoo, Inc.) under the equity method of accounting as required by ASC 323-10 *Investments—Equity Method and Joint Ventures* because we exerted "significant influence" over, but did not control, the policy and decisions of RMG, due to ownership of approximately 24% of the issued and outstanding preferred and common stock of RMG. During the first quarter of 2010, RMG sold additional common stock to other third party investors for cash, which reduced the Company's ownership in RMG resulting in cost method accounting. At March 31, 2011, the Company's ownership in RMG was approximately 19% of the issued and outstanding preferred and common stock of RMG. The investment in RMG and the Company's share of its operating results through March 31, 2011 are not material to the Company's financial position or results of operations and as a result summarized financial information is not presented. Refer to Note 8 for additional discussion.

3. Recent accounting pronouncements

The Company has considered all other recently issued accounting pronouncements and does not believe the adoption of such pronouncements will have a material impact on its financial statements.

4. Intangible assets

During the first quarter of 2011, NCM LLC's founding members returned a net 322,751 common membership units to NCM LLC, which is an adjustment to the previously issued common membership units issued in exchange for the rights to exclusive access, in accordance with the ESA, to net new theatre screens and attendees added by the founding members to NCM LLC's network. As a result, NCM LLC recorded a reduction to the intangible asset at fair value of the common membership units of $5.5 million.

During the first quarter of 2010, NCM LLC issued 2,212,219 common membership units to its founding members in exchange for the rights to exclusive access, in accordance with the ESA, to net new theatre screens and projected attendees added by the founding members to NCM LLC's network during 2009. As a result, NCM LLC recorded an intangible asset at the market value of the common membership units equal to $39.8 million.

The Company based the fair value of the intangible assets on the market value of the common membership units issued on the date of grants, which are freely convertible into NCM Inc.'s common stock.

Pursuant to ASC 350-10 *Intangibles—Goodwill and Other*, the intangible assets have a finite useful life and the Company amortizes the assets over the remaining useful life corresponding with the ESAs. Amortization of the asset related to Regal Consolidated Theatres will not begin until after 2011 since the Company will not have access to on-screen advertising in the Regal Consolidated Theatres until the run-out of their existing on–screen advertising agreement.

5. Related-party transactions

Pursuant to the ESAs, the Company makes monthly theatre access fee payments to the founding members, comprised of a payment per theatre attendee and a payment per digital screen with respect to the founding member theatres included in our network. The total theatre access fee to the founding members for the quarter ended March 31, 2011 and April 1, 2010 was $12.1 million and $12.9 million, respectively.

Under the ESAs, for the quarters ended March 31, 2011 and April 1, 2010, the founding members purchased 60 seconds of on-screen advertising time (with a right to purchase up to 90 seconds) from NCM LLC to satisfy their obligations under their beverage concessionaire agreements at a specified 30 second equivalent cost per thousand ("CPM") impressions. The total revenue related to the beverage concessionaire agreements for the quarters ended March 31, 2011 and April 1, 2010 was $8.2 million and $9.2 million, respectively. In addition, the Company made payments to the founding members for use of their screens and theatres for its Fathom Events businesses. These payments are at rates (percentage of event revenue) included in the ESAs based on the nature of the event. Payments to the founding members for these events totaled $1.9 million and $2.4 million for the quarter ended March 31, 2011 and April 1, 2010, respectively.

Also, pursuant to the terms of the NCM LLC Operating Agreement in place since the completion of the IPO, NCM LLC is required to make mandatory distributions on a proportionate basis to its members of available cash, as defined in the NCM LLC Operating Agreement, on a quarterly basis in arrears. Distributions for the quarter ended March 31, 2011 and April 1, 2010 are as follows (in millions):

	Quarter ended March 31, 2011	Quarter ended April 1, 2010
AMC	$ 1.8	$ 1.9
Cinemark	1.8	1.7
Regal	2.2	2.6
NCM Inc.	5.4	4.3
Total	$ 11.2	$ 10.5

The available cash payment by NCM LLC to its founding members for the quarter ended March 31, 2011 of $5.8 million, which is included in amounts due to founding members at March 31, 2011, will be made in the second quarter of 2011. The available cash payment by NCM LLC to its founding members for the quarter ended April 1, 2010 of $6.2 million was made in the second quarter of 2010.

On April 30, 2008, Regal acquired Consolidated Theatres and NCM LLC issued common membership units to Regal upon the closing of its acquisition in exchange for the right to exclusive access to the theatres. The Consolidated Theatres had a pre-existing advertising agreement and, as a result, Regal must make "integration" payments pursuant to the ESAs on a quarterly basis in arrears through mid-2011 in accordance with certain run-out provisions. For the quarter ended March 31, 2011 and April 1, 2010, the Consolidated Theatres payment was $0.2 million and $0.4 million, respectively and represents a cash element of the consideration received for the common membership units issued. The Consolidated Theatres payment of $0.2 million for the quarter ended March 31, 2011 was included in amounts due from founding members at March 31, 2011 and will be received in the second quarter of 2011.

Amounts due to founding members at March 31, 2011 were comprised of the following (in millions):

	AMC	Cinemark	Regal	Total
Theatre access fees, net of beverage revenues	$ 0.4	0.4	0.5	$ 1.3
Cost and other reimbursement	(0.3)	(0.5)	(0.8)	(1.6)
Distributions payable, net	1.8	1.8	2.0	5.6
Total	$ 1.9	1.7	1.7	$ 5.3

Amounts due to founding members at December 30, 2010 were comprised of the following (in millions):

	AMC	Cinemark	Regal	Total
Theatre access fees, net of beverage revenues	$ 0.5	0.4	0.5	1.4
Cost and other reimbursement	(0.2)	(0.5)	(0.0)	(0.7)
Distributions payable, net	8.5	7.6	8.4	24.5
Total	$ 8.8	7.5	8.9	$25.2

Other—During the quarter ended March 31, 2011 and April 1, 2010, AMC, Cinemark and Regal purchased $0.1 million and $0.4 million respectively, of NCM LLC's advertising inventory for their own use. The value of such purchases are calculated by reference to NCM LLC's advertising rate card and included in advertising revenue.

Included in selling and marketing costs and Fathom Events operating costs is $0.3 million and $0.4 million for the quarter ended March 31, 2011 and April 1, 2010 respectively, related to purchases of movie tickets and concession products from the founding members primarily for marketing to NCM LLC's advertising clients and marketing resale to Fathom Business customers.

Related party affiliates—During 2009, NCM LLC entered into a digital content agreement and a Fathom agreement with LA Live Cinemas LLC ("LA Live"), an affiliate of Regal, for NCM LLC to provide in-theatre advertising and Fathom Events services to LA Live in its theatre complex. The affiliate agreement was entered into at terms that are similar to those of our other advertising affiliates. Included in advertising operating costs is an immaterial amount for the quarters ended March 31, 2011 and April 1, 2010, respectively, for payments to the affiliate under the agreement. As of March 31, 2011 and December 30, 2010 an immaterial amount and approximately $0.1 million, respectively is included in accounts payable for amounts due to LA Live under the agreement.

During 2009, NCM LLC entered into a network affiliate agreement with Starplex Operating L.P. ("Starplex"), an affiliate of Cinemark, for NCM LLC to provide in-theatre advertising services to Starplex in its theatre locations. The affiliate agreement was entered into at terms that are similar to those of our other advertising affiliates. Starplex joined the NCM LLC advertising network in the first quarter of 2010. Included in advertising operating costs is $0.4 million and $0.1 million, for the quarter ended March 31, 2011 and April 1, 2010, respectively, for its share of advertising sold in its theatres under the affiliate agreement. As of March 31, 2011 and December 30, 2010 approximately $0.5 million and $0.5 million, respectively is included in accounts payable for amounts due to Starplex under the agreement.

National CineMedia, Inc.

Pursuant to the NCM LLC Operating Agreement, as the sole manager of NCM LLC, NCM Inc. provides certain specific management services to NCM LLC, including those services of the positions of president and chief executive officer, president of sales and chief marketing officer, executive vice president and chief financial officer, executive vice president and chief operations officer and executive vice president and general counsel. In exchange for the services, NCM LLC reimburses NCM Inc. for compensation and other expenses of the officers and for certain out-of-pocket costs. During the quarters ended March 31, 2011 and April 1, 2010, NCM LLC paid NCM Inc. $4.0 million and $3.5 million, respectively, for these services and expenses. The payments for estimated management services related to employment are made one month in advance. At March 31, 2011 and December 30, 2010 $0.8 million and $0.8 million, respectively, has been paid in advance and is reflected as prepaid management fees to managing member in the accompanying financial statements. NCM LLC also provides administrative and support services to NCM Inc. such as office facilities, equipment, supplies, payroll and accounting and financial reporting at no charge. Based on the limited activities of NCM Inc. as a standalone entity, the Company does not believe such unreimbursed costs are significant. The management services agreement also provides that NCM LLC employees may participate in the NCM Inc. equity incentive plan.

Amounts due to/from managing member were comprised of the following (in millions):

	As of March 31, 2011	As of December 30, 2010
Distributions payable	$ 5.4	$ 24.1
Cost and other reimbursement	4.0	4.1
Total	$ 9.4	$ 28.2

6. Borrowings

On February 13, 2007, concurrently with the closing of the IPO of NCM Inc., NCM LLC entered into a senior secured credit facility with a group of lenders. The facility consists of a six-year $80.0 million revolving credit facility and an eight-year, $725.0 million term loan facility. The revolving credit facility portion is available, subject to certain conditions, for general corporate purposes of the Company in the ordinary course of business and for other transactions permitted under the credit agreement, and a portion is available for letters of credit.

The outstanding balance of the term loan facility at March 31, 2011 and December 30, 2010 was $725.0 million. The outstanding balance under the revolving credit facility at March 31, 2011 and December 30, 2010 was $53.0 million and $50.0 million, respectively. As of March 31, 2011, the effective rate on the term loan was 5.4% including the effect of the interest rate swaps (both the swaps accounted for as hedges and those that are not). The interest rate swaps hedged $550.0 million or 76% of the $725.0 million term loan at a fixed interest rate of 6.484% while the unhedged portion was at an interest rate of 1.81%. The applicable margin on the term loan was lowered to 1.5% from 1.75% as a result of an upgrade of the corporate credit rating by the credit rating agencies specified in the credit agreement, in the first quarter of 2011. The weighted-average interest rate on the unhedged revolver was 2.0%. Commencing with the fourth fiscal quarter in fiscal year 2009, the applicable margin for the revolving credit facility is determined quarterly and is subject to adjustment based upon a consolidated net senior secured leverage ratio for NCM LLC and its subsidiaries (the ratio of secured funded debt less unrestricted cash and cash equivalents, over a non-GAAP measure defined in the credit agreement). The senior secured credit facility also contains a number of covenants and financial ratio requirements, with which the Company was in compliance at March 31, 2011, including the consolidated net senior secured leverage ratio. There are no borrower distribution restrictions as long as the Company's consolidated net senior secured leverage ratio is below 6.5 times and the borrower is in compliance with its other debt covenants. As of March 31, 2011, its consolidated net senior secured leverage ratio was 3.7 times, while the covenant was 6.5 times.

On March 19, 2009, the Company gave an $8.5 million note payable to Credit Suisse, Cayman Islands Branch ("Credit Suisse") with no stated interest to settle the $10.0 million contingent put obligation and to acquire the $20.7 million outstanding principal balance of debt of IdeaCast, Inc. ("IdeaCast") (together with all accrued interest and other lender costs required to be reimbursed by IdeaCast). The note was paid in full on January 15, 2011. At issuance the Company recorded the note at a present value of $7.0 million. At December 30, 2010, $1.2 million of the balance was recorded in current liabilities. Interest on the note was accreted at the Company's estimated incremental cost of debt based on then current market indicators over the term of the loan to interest expense. There was an immaterial amount of interest expense recognized on the note for the quarter ended March 31, 2011.

7. Commitments and contingencies

***Legal actions*—**The Company is subject to claims and legal actions in the ordinary course of business. The Company believes such claims will not have a material adverse effect on its financial position or results of operations.

***Minimum revenue guarantees*—**As part of the network affiliate agreements entered in the ordinary course of business under which the Company sells advertising for display in various theatre chains other than those of the founding members of NCM LLC, the Company has agreed to certain minimum revenue guarantees on a per attendee basis. If an affiliate achieves the attendance set forth in their respective agreement, the Company has guaranteed minimum revenue for the network affiliate per attendee if such amount paid under the revenue share arrangement is less than its guaranteed amount. The amount and term varies for each network affiliate, but terms range from two to five years, prior to any renewal periods of which some are at the option of the Company. The maximum potential amount of future payments the Company could be required to make pursuant to the minimum revenue guarantees is $13.7 million over the remaining terms of the network affiliate agreements. As of March 31, 2011 and December 30, 2010 the Company had no liabilities recorded for these obligations as such guarantees are less than the expected share of revenue paid to the affiliate.

8. Fair value measurements

***Fair value of financial instruments*—**The carrying amounts of cash and other notes payable as reported in the Company's balance sheets approximate their fair value due to their short maturity. The carrying amount of the revolving credit facility is considered a reasonable estimate of fair value due to its floating-rate terms. The carrying amounts and fair values of interest rate swap agreements are the same since the Company accounts for these instruments at fair value. The Company has estimated the fair value of its term loan based on an average of at least two non-binding broker quotes and the Company's analysis to be $713.9 million and $713.3 million at March 31, 2011 and December 30, 2010, respectively. The carrying value of the term loan was $725.0 million as of March 31, 2011 and December 30, 2010.

The fair value of the investment in RMG networks has not been estimated at March 31, 2011 as there were no monetary equity events or changes in circumstances that may have a significant adverse effect on the fair value of the investment, and as it is not practicable to do so because RMG is not a publicly traded company. The carrying amount of the Company's investment was $6.7 million as of March 31, 2011 and December 30, 2010. Refer to Note 1-Significant Accounting Policies-Other Investment.

Recurring measurements—The fair values of the Company's assets and liabilities measured on a recurring basis pursuant to ASC 820-10 *Fair Value Measurements and Disclosures* are as follows (in millions):

		Fair value measurements at reporting date using		
	As of March 31, 2011	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
LIABILITIES:				
Current Portion of Interest Rate Swap Agreements(1)	$ (25.3)	$ 0.0	$ (25.3)	$ 0.0
Interest Rate Swap Agreements(1)	(39.4)	0.0	(39.4)	0.0
	$ (64.7)	$ 0.0	$ (64.7)	$ 0.0

(1) *Interest Rate Swap Agreements* – Refer to Note 9.

9. Derivative instruments

NCM LLC has interest rate swap agreements with four counterparties that, at their inception, qualified for and were designated as cash flow hedges against interest rate exposure on $550.0 million of the variable rate debt obligations under the senior secured credit facility. The interest rate swap agreements have the effect of converting a portion of the Company's variable rate debt to a fixed rate of 6.484%. All interest rate swaps were entered into for risk management purposes. The Company has no derivatives for other purposes.

Cash flow hedge accounting was discontinued on September 15, 2008 due to the event of default created by the bankruptcy of Lehman Brothers Holdings Inc. ("Lehman") and the inability of the Company to continue to demonstrate the swap would be effective. In accordance with ASC 815 *Derivatives and Hedging*, the net derivative loss as of September 14, 2008 related to the discontinued cash flow hedge with Lehman Brothers Special Financing ("LBSF") shall continue to be reported in accumulated other comprehensive income unless it is probable that the forecasted transaction will not occur by the end of the originally specified time period. Accordingly, the net derivative loss is being amortized to interest expense over the remaining term of the interest rate swap through February 13, 2015. The amount amortized during the quarter ended March 31, 2011 and April 1, 2010 was $0.3 million. The Company estimates approximately $1.3 million will be amortized to interest expense and other, net in the next 12 months.

In February 2010, NCM LLC entered into an interest rate swap agreement with Barclays Bank PLC ("Barclays") to replace the Lehman swap that was terminated in February 2010. The Company did not elect cash flow hedge accounting and the interest rate swap with Barclays is recorded at fair value with any change in the fair value recorded in the statement of operations. There was a $1.5 million decrease and a $1.4 million increase in the fair value of the liability for the quarter ended March 31, 2011 and April 1, 2010, respectively, which the Company recorded as a component of interest expense and other, net.

Both at inception and on an on-going basis the Company performs an effectiveness test using the hypothetical derivative method. The fair values of the interest rate swaps with the counterparties other than Barclays (representing notional amounts of $412.5 million associated with a like amount of the variable rate debt) are recorded on the Company's balance sheet as a liability with the change in fair value recorded in other comprehensive income since the instruments were determined to be perfectly effective at March 31, 2011 and December 30, 2010. There were no amounts reclassified into current earnings due to ineffectiveness during the periods presented other than as described herein.

The fair value of the Company's interest rate swap is based on dealer quotes, and represents an estimate of the amount the Company would receive or pay to terminate the agreements taking into consideration various factors, including current interest rates and the forward yield curve for 3-month LIBOR. As of March 31, 2011 and December 30, 2010, the estimated fair value and line item caption of derivative instruments recorded were as follows (in millions):

	Liability derivatives			
	As of March 31, 2011		As of December 30, 2010	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedging instruments in cash flow hedges:				
Current portion of interest rate swap agreements	Current Liabilities	$19.0	Current Liabilities	$19.0
Interest Rate Swaps	Other Liabilities	$29.5	Other Liabilities	$34.1
Derivatives not designated as hedging instruments:				
Current portion of interest rate swap agreements	Current Liabilities	$ 6.3	Current Liabilities	$ 6.3
Interest Rate Swaps	Other Liabilities	$ 9.9	Other Liabilities	$11.4
Total derivatives		$64.7		$70.8

The effect of derivative instruments in cash flow hedge relationships on the financial statements for the quarter ended March 31, 2011 and April 1, 2010 were as follows (in millions):

	Unrealized gain (loss) recognized in NCM LLC's OCI (pre-tax)		Realized gain (loss) recognized in interest expense (pre-tax)	
	For the quarter ended			
	March 31, 2011	April 1, 2010	March 31, 2011	April 1, 2010
Interest Rate Swaps	$ 0.0	$ (8.8)	$ (4.9)	$ (4.9)

There was $0.3 million of ineffectiveness recognized for each of the quarters ended March 31, 2011 and April 1, 2010, respectively.

The effect of derivatives not designated as hedging instruments under ASC 815 on the financial statements for the quarter ended March 31, 2011 and April 1, 2010 were as follows (in millions):

	Gain or (loss) recognized in interest expense (pre-tax) for the quarter Ended	
	March 31, 2011	April 1, 2010
Interest on borrowings	$ (1.6)	$ (1.4)
Change in derivative fair value	1.2	(1.7)
Total	$ (0.4)	$ (3.1)

10. Segment reporting

Advertising is the principal business activity of the Company and is the Company's reportable segment under the requirements of ASC 280 *Segment Reporting*. Advertising revenue accounts for 83.5% and 80.1% of revenue for the quarter ended March 31, 2011 and April 1, 2010, respectively. Fathom Consumer Events and Fathom Business Events are operating segments under ASC 280, but do not meet the quantitative thresholds for segment reporting. The following table presents revenues less directly identifiable expenses to arrive at operating income net of direct expenses for the advertising reportable segment, the combined Fathom Events operating segments, and network, administrative and unallocated costs. Management does not evaluate its segments on a fully allocated cost basis. Therefore, the measure of segment operating income net of direct expenses shown below is not prepared on the same basis as operating income in the statement of operations and the results below are not indicative of what segment results of operations would have been had it been operated on a fully allocated cost basis. Management cautions that it would be inappropriate to assume that unallocated operating costs are incurred proportional to segment revenue or any directly identifiable segment expenses. Unallocated operating costs consist primarily of network costs, general and administrative costs and other unallocated costs including depreciation and amortization. Management does not track segment assets and, therefore, segment asset information is not presented.

	Quarter ended March 31, 2011 (in millions)			
	Advertising	Fathom events and other	Network, administrative and unallocated costs	Total
Revenue	$ 59.1	$ 11.7		$70.8
Operating costs	15.6	7.6		23.2
Selling and marketing costs	11.6	2.1	$ 0.9	14.6
Other costs	0.3	0.2		0.5
Operating income, net of direct expenses	31.6	1.8		
Network, administrative and other costs			17.5	17.5
Total Operating Income				$15.0

	Quarter Ended April 1, 2010 (in millions)			
	Advertising	Fathom events and other	Network, administrative and unallocated costs	Total
Revenue	$ 67.8	$ 16.8		$84.6
Operating costs	17.4	11.1		28.5
Selling and marketing costs	10.6	2.1	0.4	13.1
Other costs	0.3	0.2		0.5
Operating income, net of direct expenses	39.5	3.4		
Network, administrative and other costs			16.1	16.1
Total Operating Income				$26.4

The following is a summary of revenues by category (in millions):

	Quarter ended March 31, 2011	Quarter ended April 1, 2010
National Advertising Revenue	$ 38.3	$ 46.4
Founding Member Advertising Revenue from Beverage Concessionaire Agreements	8.2	9.2
Local Advertising Revenue	12.6	12.2
Fathom Consumer Revenue	7.9	13.0
Fathom Business Revenue	3.8	3.8
Total Revenues	$ 70.8	$ 84.6

11. Subsequent events

ASC Topic 855-10, *Subsequent Events* (formerly SFAS No. 165, *Subsequent Events*) requires the Company to disclose the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued. For the quarter ended March 31, 2011, the Company evaluated, for potential recognition and disclosure, events that occurred prior to the filing of NCM Inc.’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 on May 5, 2011.

National CineMedia, Inc.
Announces National CineMedia, LLC Proposed Private Offering
of $200 Million of Senior Notes due 2021

Centennial, CO – June 22, 2011 – National CineMedia, Inc. (NASDAQ: NCMI) (the "Company"), the managing member and owner of 48.6% of National CineMedia, LLC ("NCM LLC"), announced today that NCM LLC plans to offer in a private placement $200 million aggregate principal amount of Senior Notes due 2021 (the "Notes"). The Notes will be senior unsecured obligations of NCM LLC, and will bear interest at a fixed rate.

NCM LLC intends to use the net proceeds from the proposed offering to repay $175 million of outstanding term loan borrowings under its senior secured credit facility. Any remaining net proceeds will be used to repay a portion of outstanding borrowings under NCM LLC's revolving credit facility and for general corporate purposes (including working capital).

The Notes have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or applicable state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. NCM LLC plans to offer and sell the Notes only to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to persons outside the United States pursuant to Regulation S under the Securities Act.

Forward Looking Statements

This press release contains various forward-looking statements that reflect management's current expectations or beliefs regarding future events, including the proposed notes offering by NCM LLC. 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.

INVESTOR CONTACT:
David Oddo
800-844-0935
investors@ncm.com

MEDIA CONTACT:
Lauren Leff
303-957-1709
lauren.leff@ncm.com