

National CineMedia, Inc.  
Form 8-K  
March 18, 2019

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 8-K

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CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): March 14, 2019

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National CineMedia, Inc.  
(Exact name of registrant as specified in its charter)

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|   |                             |                                      |
|---|-----------------------------|--------------------------------------|
| Delaware  | 001-33296                   | 20-5665602                           |
| (State or other jurisdiction<br>of incorporation) | (Commission<br>file number) | (IRS employer<br>identification no.) |

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National CineMedia, LLC  
(Exact name of registrant as specified in its charter)

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|   |                             |                                      |
|---|-----------------------------|--------------------------------------|
| Delaware  | 333-176056                  | 20-2632505                           |
| (State or other jurisdiction<br>of incorporation) | (Commission<br>file number) | (IRS employer<br>identification no.) |

6300 S. Syracuse Way, Suite 300  
Centennial, Colorado 80111  
(Address of principal executive offices, including zip code)  
(303) 792-3600  
(Registrant's telephone number, including area code)

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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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.



## Item 3.02 Unregistered Sales of Equity Securities

National CineMedia, Inc. (“NCM, Inc.”), as sole manager of National CineMedia, LLC (“NCM LLC”), provided written notices as of March 14, 2019 setting forth the determination of common membership units due to/from the members of NCM LLC as shown in the table below, in accordance with the Common Unit Adjustment Agreement dated as of February 13, 2007, by and among NCM, Inc., NCM LLC, Regal CineMedia Holdings, LLC (“Regal”), American Multi-Cinema, Inc. (“AMC”), Cinemark Media, Inc. (“Cinemark”), Regal Cinemas, Inc. and Cinemark USA, Inc. Regal, AMC and Cinemark are referred to collectively as the “Founding Members.” The common membership units are expected to be issued on March 28, 2019, the settlement date.

The Common Unit Adjustment Agreement provides a mechanism for adjusting membership units held by the Founding Members, based on increases or decreases in attendance associated with new theater construction or acquisitions and dispositions or closures by each Founding Member. The adjustment of membership units pursuant to the Common Unit Adjustment Agreement are conducted annually, except that an earlier adjustment will occur for a Founding Member if its acquisition or disposition of theaters, in a single transaction or cumulatively since the most recent adjustment, will cause a change of two percent or more in the total annual attendance.

Following is a summary of the beneficial ownership of NCM LLC units that will result from this most recent common unit adjustment:

| Founding Member Group | Number of Units Owned Prior to Adjustments | Number of Units Issued per 2018 Adjustment (as of Dec. 27, 2018) | Total Number of Units Owned Post Adjustments |
|-----------------------|--|--|--|
| AMC                   | —  | 197,118  | 197,118                                      |
| Cinemark              | 39,518,644                                 | 219,056  | 39,737,700                                   |
| Regal                 | 41,142,178                                 | 628,491  | 41,770,669                                   |
| NCM, Inc. (1)         | 76,976,398                                 | —  | 76,976,398                                   |
| Total                 | 157,637,220                                | 1,044,665  | 158,681,885                                  |

Excludes the issuance of NCM LLC units with respect to restricted shares which have vested and stock options (1) which have been exercised subsequent to December 27, 2018 as these NCM LLC units are issued at each quarter end.

Following the issuance (surrender) of these common membership units pursuant to the Common Unit Adjustment Agreement for fiscal 2018, each Founding Member’s beneficial ownership interest in NCM LLC will change as follows:

| Founding Member Group | Ownership Interest Prior to Adjustments | Ownership Interest Post Adjustments | Change |
|-----------------------|---|-------------------------------------|--------|
| AMC                   | 0.0%                                    | 0.1%                                | +0.1   |
| Cinemark              | 25.1%                                   | 25.1%                               | —      |
| Regal                 | 26.1%                                   | 26.3%                               | +0.2   |
| NCM, Inc. (1)         | 48.8%                                   | 48.5%                               | -0.3   |

Excludes the issuance of NCM LLC units with respect to restricted shares which have vested and stock options (1) which have been exercised subsequent to December 27, 2018 as these NCM LLC units are issued at each quarter end.

Pursuant to NCM, Inc.’s Second Amended and Restated Certificate of Incorporation and NCM LLC’s Third Amended and Restated Limited Liability Company Operating Agreement, as amended, members of NCM LLC, other than NCM, Inc., may choose to have common membership units redeemed, and NCM, Inc. may elect to issue

cash or shares of its common stock on a one-for-one basis. Therefore, the NCM LLC units issued to the Founding Members may be redeemable for an equal number of shares of NCM, Inc.'s common stock.

Neither NCM, Inc. nor NCM LLC will receive any cash consideration in exchange for the issuance of the units. The units will be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof for transactions not involving a public offering. Appropriate legends will be affixed to the securities issued in this transaction. The Founding Members had adequate access, through business or other relationships, to information about NCM, Inc. and NCM LLC.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Description

10.1 Common Unit Adjustment Agreement dated as of February 13, 2007, by and among National CineMedia, Inc., National CineMedia, LLC, Regal CineMedia Holdings, LLC, American Multi-Cinema, Inc., Cinemark Media, Inc, Regal Cinemas, Inc. and Cinemark USA, Inc. (Confidential treatment granted as to certain portions, which portions were omitted and filed separately with the Commission) (Incorporated by reference to Exhibit 10.6 to NCM, Inc.'s Current Report on Form 8-K (File No. 001-33296) filed on February 16, 2007.)

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