

MARCUS CORP  
Form 10-Q  
January 04, 2011  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended November 25, 2010

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-12604

**THE MARCUS CORPORATION**  
(Exact name of registrant as specified in its charter)

Wisconsin  
(State or other jurisdiction of  
incorporation or organization)

39-1139844  
(I.R.S. Employer  
Identification No.)

100 East Wisconsin Avenue, Suite 1900

Milwaukee, Wisconsin  
(Address of principal executive offices)

53202-4125  
(Zip Code)

Registrant's telephone number, including area code: (414) 905-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (Check One).

Large accelerated filer  Accelerated filer  X  
Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No  X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

COMMON STOCK OUTSTANDING AT JANUARY 1, 2011 20,803,616

CLASS B COMMON STOCK OUTSTANDING AT JANUARY 1, 2011 8,841,202

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(in thousands, except share and per share data)	(Unaudited) November 25, 2010	(Audited) May 27, 2010
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 9,508	\$ 9,132
Accounts and notes receivable, net of reserves	9,421	9,323
Refundable income taxes		6,820
Deferred income taxes	2,908	2,708
Other current assets	9,952	7,310
Total current assets	31,789	35,293
<b>Property and equipment:</b>		
Land and improvements	94,650	92,761
Buildings and improvements	530,461	521,150
Leasehold improvements	61,357	61,276
Furniture, fixtures and equipment	225,068	218,347
Construction in progress	2,099	4,687
Total property and equipment	913,635	898,221
Less accumulated depreciation and amortization	328,511	312,232
Net property and equipment	585,124	585,989
<b>Other assets:</b>		
Investments in joint ventures	1,350	1,322
Goodwill	44,344	44,413
Condominium units available for sale	3,479	3,479
Other	34,098	33,915
Total other assets	83,271	83,129
<b>TOTAL ASSETS</b>	<b>\$ 700,184</b>	<b>\$ 704,411</b>

See accompanying notes to consolidated financial statements.

**Table of Contents****THE MARCUS CORPORATION****Consolidated Balance Sheets**

	(Unaudited) November 25, 2010	(Audited) May 27, 2010
(in thousands, except share and per share data)		
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
<b>Current liabilities:</b>		
Notes payable	\$ 222	\$ 221
Accounts payable	18,094	18,985
Income taxes	1,808	
Taxes other than income taxes	13,760	12,589
Accrued compensation	4,374	5,038
Other accrued liabilities	21,776	24,533
Current maturities of long-term debt	39,616	39,610
Total current liabilities	99,650	100,976
<b>Long-term debt</b>	<b>187,452</b>	<b>196,833</b>
<b>Deferred income taxes</b>	<b>39,668</b>	<b>39,180</b>
<b>Deferred compensation and other</b>	<b>32,420</b>	<b>31,626</b>
<b>Shareholders equity:</b>		
Preferred Stock, \$1 par; authorized 1,000,000 shares; none issued		
Common Stock, \$1 par; authorized 50,000,000 shares; issued 22,347,811 shares at November 25, 2010 and 22,335,334 shares at May 27, 2010	22,348	22,335
Class B Common Stock, \$1 par; authorized 33,000,000 shares; issued and outstanding 8,841,702 shares at November 25, 2010 and 8,854,179 shares at May 27, 2010	8,842	8,855
Capital in excess of par	48,976	48,664
Retained earnings	287,073	279,869
Accumulated other comprehensive loss	(2,632)	(2,825)
	364,607	356,898
Less cost of Common Stock in treasury (1,547,173 shares at November 25, 2010 and 1,299,098 shares at May 27, 2010)	(23,613)	(21,102)
Total shareholders equity	340,994	335,796
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>\$ 700,184</b>	<b>\$ 704,411</b>

See accompanying notes to consolidated financial statements.

**Table of Contents****THE MARCUS CORPORATION****Consolidated Statements of Earnings (Unaudited)**

(in thousands, except per share data)

	November 25, 2010		November 26, 2009	
	13 Weeks	26 Weeks	13 Weeks	26 Weeks
<b>Revenues:</b>				
Theatre admissions	\$ 27,077	\$ 69,044	\$ 27,932	\$ 71,054
Rooms	23,274	49,634	20,434	43,331
Theatre concessions	12,589	32,235	13,360	34,163
Food and beverage	13,322	26,633	11,789	23,264
Other revenues	10,473	23,145	9,851	21,707
<b>Total revenues</b>	<b>86,735</b>	<b>200,691</b>	<b>83,366</b>	<b>193,519</b>
<b>Costs and expenses:</b>				
Theatre operations	23,829	58,491	25,520	60,523
Rooms	8,507	17,267	7,748	15,851
Theatre concessions	3,369	8,154	3,494	8,724
Food and beverage	9,672	19,225	8,939	17,639
Advertising and marketing	5,491	10,957	5,083	10,130
Administrative	9,568	19,617	8,590	18,267
Depreciation and amortization	8,315	16,657	8,041	16,129
Rent	2,103	4,150	1,873	3,841
Property taxes	3,450	6,987	3,495	6,474
Other operating expenses	7,025	14,356	6,041	12,424
Impairment charge			2,575	2,575
<b>Total costs and expenses</b>	<b>81,329</b>	<b>175,861</b>	<b>81,399</b>	<b>172,577</b>
<b>Operating income</b>	<b>5,406</b>	<b>24,830</b>	<b>1,967</b>	<b>20,942</b>
<b>Other income (expense):</b>				
Investment income	58	110	183	287
Interest expense	(2,581)	(5,239)	(2,683)	(5,655)
Gain (loss) on disposition of property, equipment and other assets	(1)	(2)	166	173
Equity losses from unconsolidated joint ventures, net	(17)	(86)	(5)	(36)
	(2,541)	(5,217)	(2,339)	(5,231)
<b>Earnings (loss) before income taxes</b>	<b>2,865</b>	<b>19,613</b>	<b>(372)</b>	<b>15,711</b>
<b>Income taxes</b>	<b>781</b>	<b>7,509</b>	<b>(49)</b>	<b>5,816</b>
<b>Net earnings (loss)</b>	<b>\$ 2,084</b>	<b>\$ 12,104</b>	<b>\$ (323)</b>	<b>\$ 9,895</b>
<b>Net earnings (loss) per share basic:</b>				