

Mittleman Brothers, LLC Comments on AMC Entertainment's Acquisition of Odeon & UCI Cinemas Group, Highlights Gaping Disparity in Valuation Versus AMC's Proposed Acquisition of Carmike Cinemas

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NEW YORK--(PR Newswire)— Mittleman Brothers, LLC, one of the largest shareholders of Carmike Cinemas Inc. (NASDAQ: CKEC), which currently controls approximately 2.33 million CKEC shares, 9.6% of the total shares outstanding, alerts Carmike shareholders that the announcement made earlier today that AMC Entertainment (“AMC”) will buy Odeon & UCI Cinemas Group (“Odeon-UCI”) in the U.K. cites a valuation of 9.1x TTM EBITDA, but against FY 2015 EBITDA of GBP 94.8M, the multiple is 9.7x EBITDA, or 9.0x EBITDA after annual cost synergies AMC estimates will be \$10M (GBP 7.7M).

This deal reveals the clear extent to which Carmike's shares are undervalued at the 6.5x EBITDA post-synergy multiple at which AMC's \$30 per share cash offer values Carmike. The same 9.0x multiple applied to CKEC's post-synergy EBITDA of \$170M (\$135M FY 2015 EBITDA + \$35M cost synergies) would yield a \$47.69 per share price per CKEC share, a 59% premium to the \$30 per share offered price.

Carmike's adjusted EBITDA margin was 16.8% in FY 2015, whereas Odeon-UCI's EBITDA margin was 12.7% as per UK GAAP, and we estimate about 14.6% on US GAAP. And beyond its superior profitability, Carmike has out-performed Odeon-UCI over the past seven years on most other key metrics.

Odeon-UCI shareholders clearly benefited by a proper auction process, Carmike's shareholders had no such benefit. Odeon-UCI shareholders get ongoing participation in the upside of the combined entities via substantial AMC stock in the merger consideration; Carmike's shareholders get no AMC stock. AMC can apply its NOLs to CKEC's taxable income; AMC gets no such tax benefits from the Odeon-UCI deal.

Unaddressed remains the value of Carmike's 18% stake in Screenvision, and the tremendous value AMC would receive in additional founders' shares of National CineMedia, Inc. (roughly \$260M in value) as a benefit of the transaction with Carmike, a huge benefit not available in the Odeon-UCI deal.

Simply put, there can no longer be any shadow of a doubt, Carmike's Board failed to realize anywhere close to a reasonable fair value for CKEC's non-management shareholders in this fatally flawed transaction. This AMC – Odeon-UCI deal should put to rest any questions about the validity of our call for a \$40+ fair value for CKEC shares, and our view remains that anything less is a travesty of fairness.

Mittleman Brothers again encourages all Carmike Cinemas' shareholders to review our most recently filed presentation highlighting the gross deficiencies in both process and price reflected in Carmike's proposed sale to AMC. As we point out in the presentation <http://www.mittlemanbrothers.com/ckecamc-opposition>, CKEC has out-performed its peer group over the past seven years under current management, in sales, EBITDA, attendance, and concessions growth, and yet merely valuing CKEC at the mean EV/EBITDA trading multiple of the peer group yields a stock price in excess of \$40 per share, without even considering a control premium, or the immense synergy value that AMC would solely retain in this unusually rare consolidation opportunity pairing the second and fourth largest movie theaters chains in the U.S.

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Mittleman Brothers again urges all Carmike Cinemas shareholders to vote “AGAINST” this terribly unfair merger proposal before Carmike’s postponed Special Meeting on July 15th.

This press release is provided for informational purposes only. Mittleman Brothers, LLC does not undertake any duty to update the information set forth herein. Mittleman Brothers is not soliciting proxies relating to the CKEC shareholder meeting and does not have the authority to vote your proxy. Mittleman Brothers urges CKEC shareholders to vote against the proposed transaction.

The information and calculations included in this press release are based on information reasonably available to Mittleman Brothers, LLC as of the date hereof. Furthermore, the information included in this press release has been obtained from sources that Mittleman Brothers, LLC believes to be reliable. However, these sources cannot be guaranteed as to their accuracy or completeness. No representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained herein, by Mittleman Brothers, LLC, its members or employees, and no liability is accepted by such persons for the accuracy or completeness of any such information.

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