

Investor
Presentation

September
2014



The
Marcus
Corporation



innovate.



invest.



inspire.

Forward Looking Statement

Certain matters discussed in this presentation are “forward-looking statements” intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements may generally be identified as such because the context of such statements include words such as we “believe,” “anticipate,” “expect” or words of similar import. Similarly, statements that describe our future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties which may cause results to differ materially from those expected, including, but not limited to, the following: (1) the availability, in terms of both quantity and audience appeal, of motion pictures for our theatre division, as well as other industry dynamics such as the maintenance of a suitable window between the date such motion pictures are released in theatres and the date they are released to other distribution channels; (2) the effects of adverse economic conditions in our markets, particularly with respect to our hotels and resorts division; (3) the effects on our occupancy and room rates of the relative industry supply of available rooms at comparable lodging facilities in our markets; (4) the effects of competitive conditions in our markets; (5) our ability to achieve expected benefits and performance from our strategic initiatives and acquisitions; (6) the effects of increasing depreciation expenses, reduced operating profits during major property renovations, impairment losses, and preopening and start-up costs due to the capital intensive nature of our businesses; (7) the effects of adverse weather conditions, particularly during the winter in the Midwest and in our other markets; (8) our ability to identify properties to acquire, develop and/or manage and the continuing availability of funds for such development; and (9) the adverse impact on business and consumer spending on travel, leisure and entertainment resulting from terrorist attacks in the United States or incidents such as the tragedy in a movie theatre in Colorado in July 2012. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this presentation and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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MCS
LISTED
NYSE

Company Overview

- A leader in lodging and entertainment
- Fiscal 2014 Revenues: \$448M
- Fiscal 2014 EBITDA: \$82M
- Strong senior management team
- Market Cap: ~\$477M (as of 9/15/14)



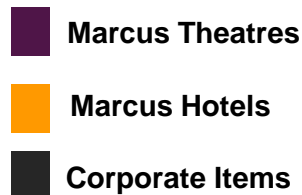
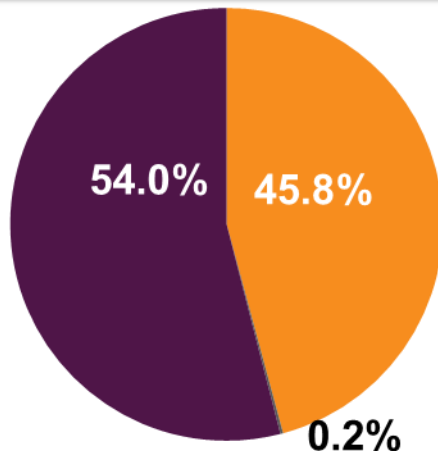
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A Leader in Lodging & Entertainment



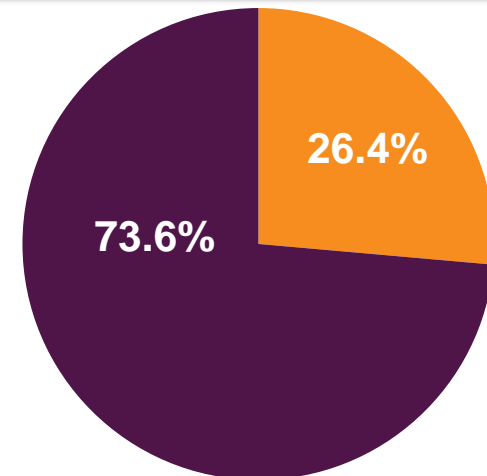
- Fifth largest U.S. exhibitor
- 685 screens at 55 locations in 7 states

Revenues by Division LTM



- Portfolio of 19 distinctive properties
- Manage ~5,200 rooms in 10 states

Operating Income by Division LTM



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Investment Thesis

Diversified Business Platform

- Proven expertise in two distinct business segments
- Theatres – steady growth, resilient; Hotels – post-recession recovery continues
- Long-term track record of success

Strong Market and Financial Position

- Theatres and hotels both leaders in their respective markets and industries
- Conservative capitalization
- Liquidity to fund future growth; “capital-light” hotel growth strategy
- Significant real estate assets

Return of Capital to Shareholders

- Increased annual cash dividend rate 11.8% to \$0.38 per share effective 5/15/14; Yield 2.2% (as of 9/15/14)
- Special dividends in 2006 (\$7.00) and 2012 (\$1.00)
- Repurchased over 3.9 million shares in last four fiscal years
- Total return to shareholders has averaged 27% over the last three fiscal years

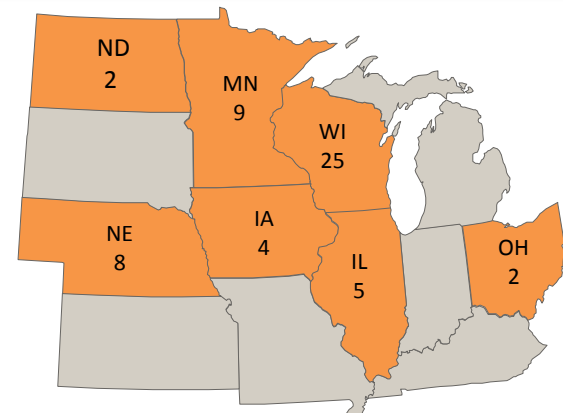
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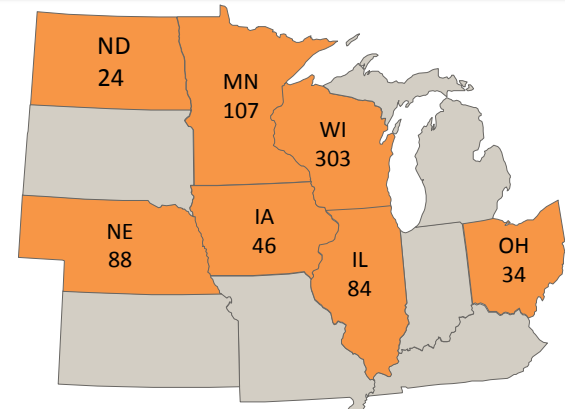
By the Numbers

- 83% of screens are in states where Marcus is the #1 or #2 player among our peers
- 12.5 screens per location
- Digital cinema in 100% of first-run screens
- Digital 3D capability at 31% of first-run screens including 85% of *UltraScreens*®
- Acquired more than 230 screens over the past 7 years; increased screen count by 36%
- Invested \$50 million in recliner seating, large-format screens and expanded food and beverage concepts; more investments planned in F2015
- New division president/CEO with extensive industry experience

Marcus Theatres by Location



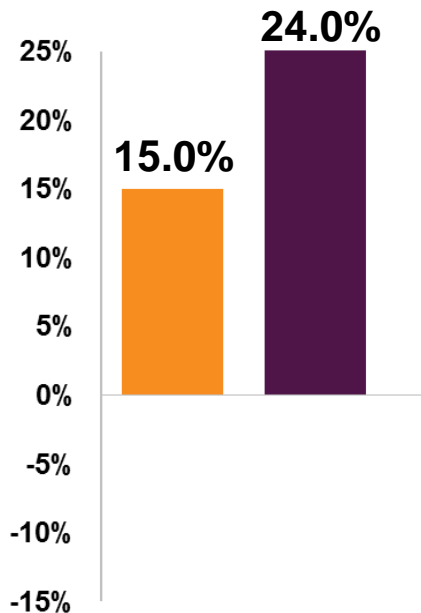
Marcus Theatres by Screen



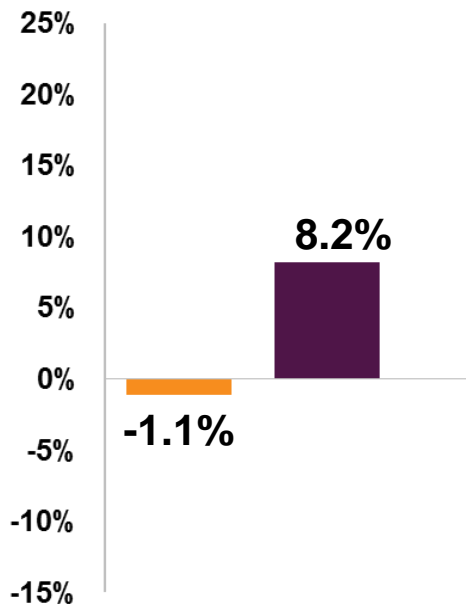
By the Numbers

- Outperformed the industry in Q3 and Q4 F2014 by 9 percentage points each quarter and nearly 11 percentage points in Q1 F2015
- Regardless of the strength of the movies in any given quarter, our goal is to outperform the national numbers

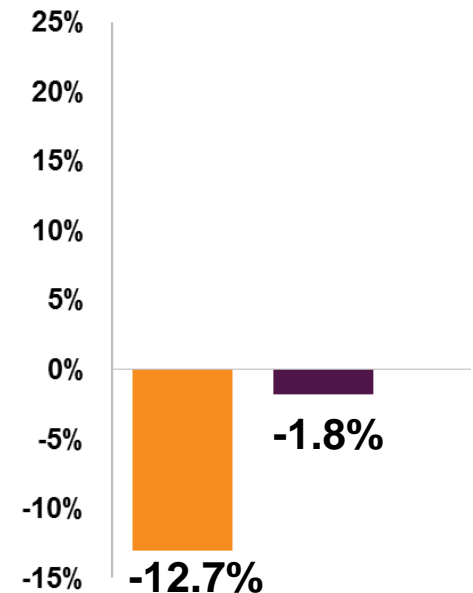
Q3 F2014 Box Office



Q4 F2014 Box Office



Q1 F2015 Box Office

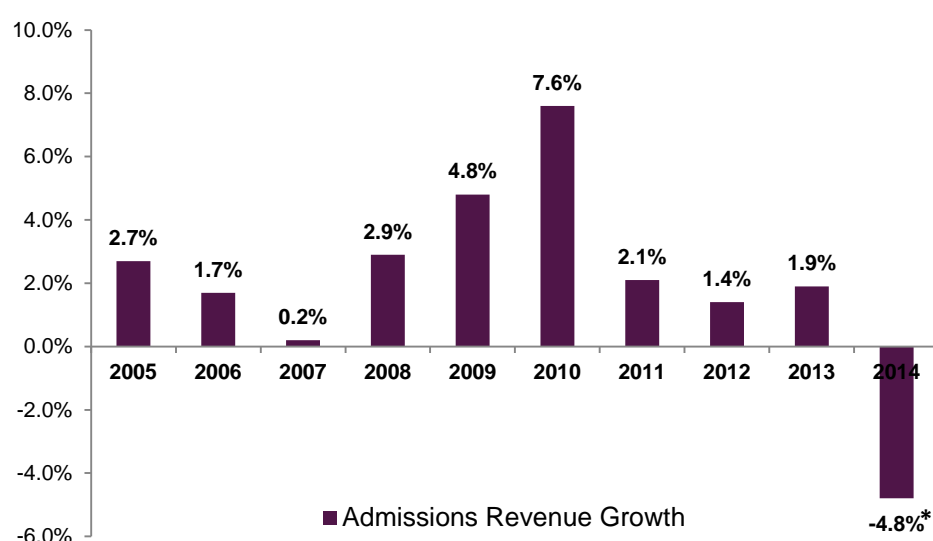


 U.S.
  Marcus

By the Numbers

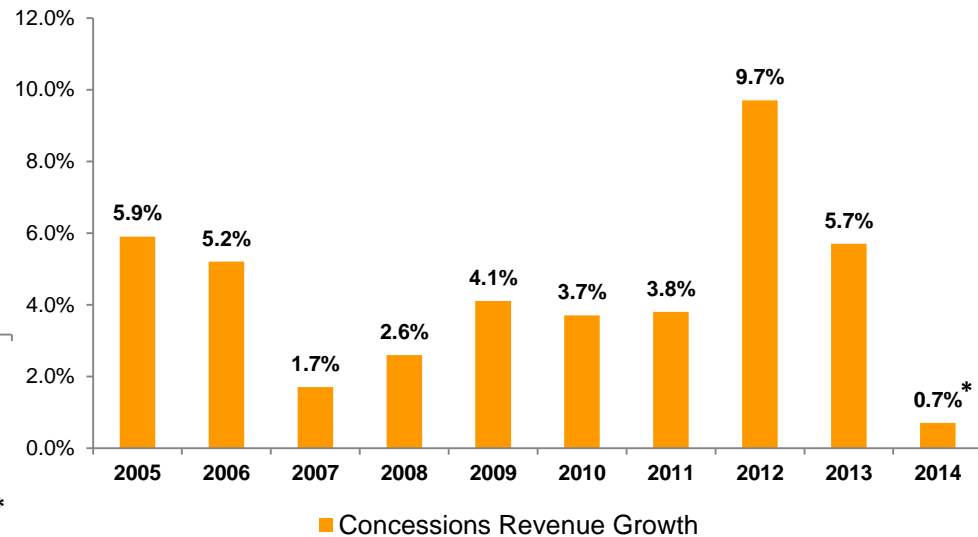
Stable and continuous revenue growth in concession and ticket revenue per person over the past 10 years

Admissions Revenue Per Person YoY Growth



10 Yr. CAGR 2.0% 10 Yr. CPI CAGR 2.3%

Concessions Revenue Per Person YoY Growth

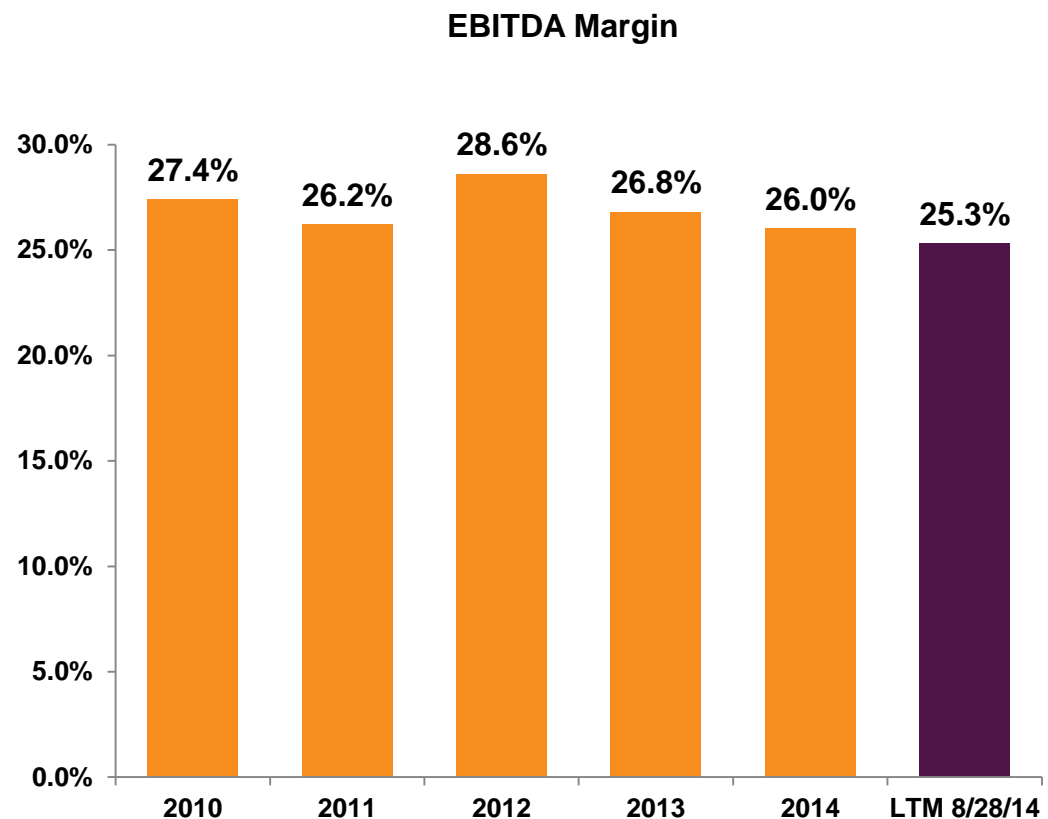


10 Yr. CAGR 4.3% 10 Yr. CPI CAGR 2.3%

* Reflects impact of \$5 Tuesday promotion

By the Numbers

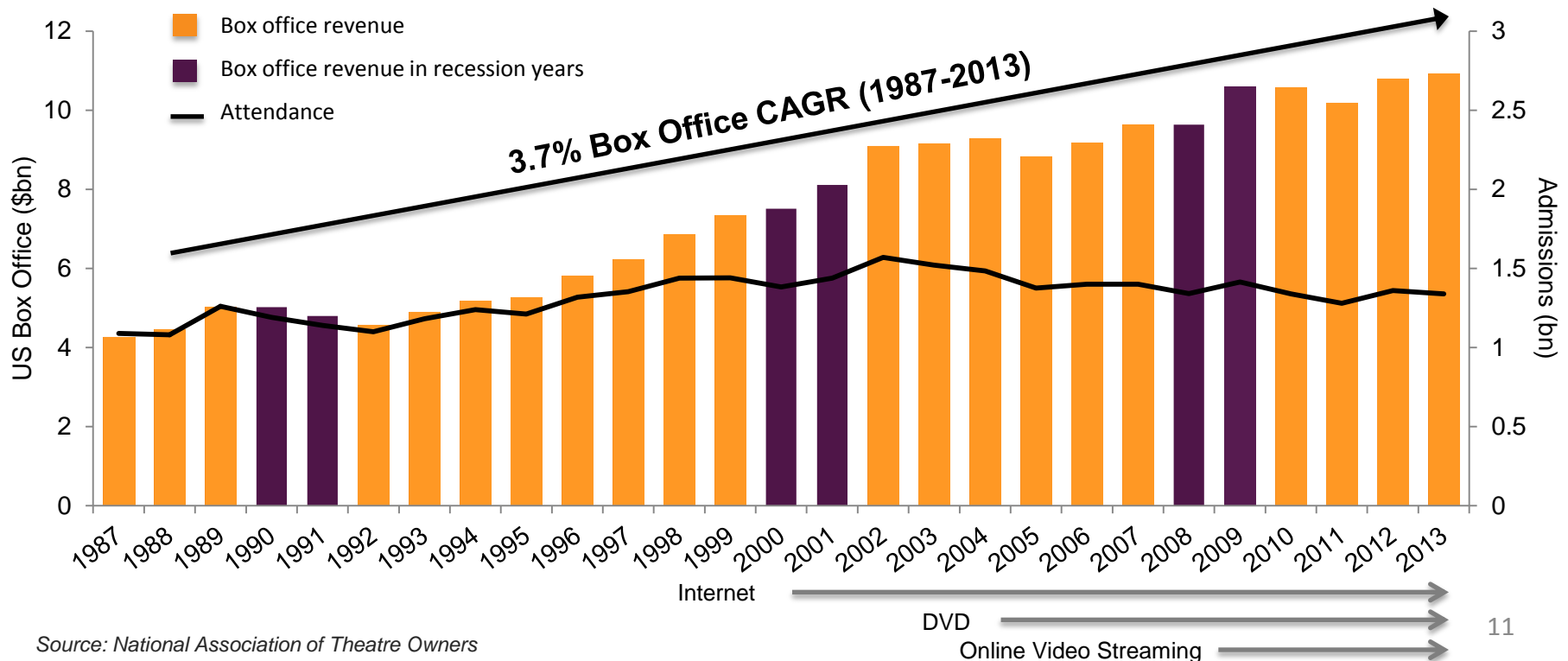
- **Stable industry-leading EBITDA margins**
- **Consistently stronger than larger competitors (AMC, Carmike, Regal and Cinemark have been in the 16-22% range)**



Note: EBITDA is specific to Marcus Theatres division only

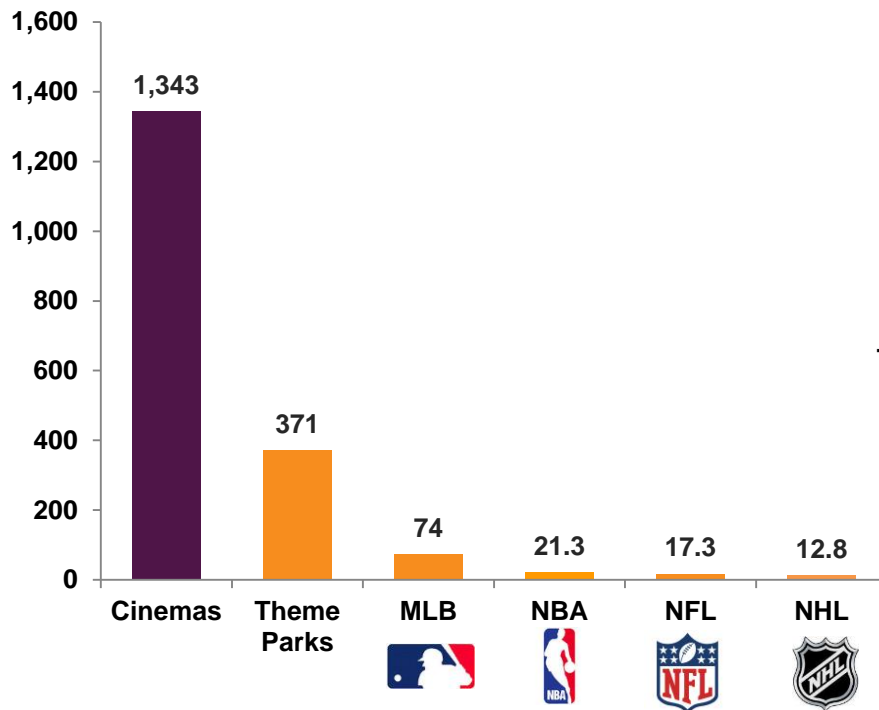
Domestic Attendance & Box Office

- North American attendance down 1.3% in 2013 following a 6.3% increase in calendar 2012 and a 4.7% percent decrease in calendar 2011. Marcus Theatres attendance up 13.9% for F2014.
- Box office revenues in North America rose to \$10.9 billion in calendar 2013 from \$10.8 billion in 2012 and \$10.2 billion in 2011. Marcus Theatres box office up 8.6% for F2014.
- Resilient growth during recessions

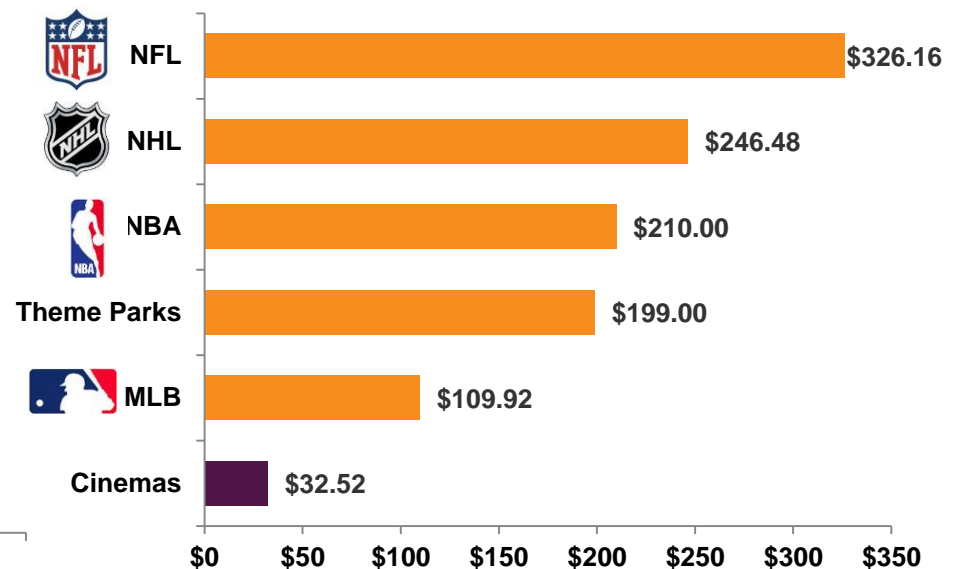


Best Entertainment Value

2013 Attendance (millions)

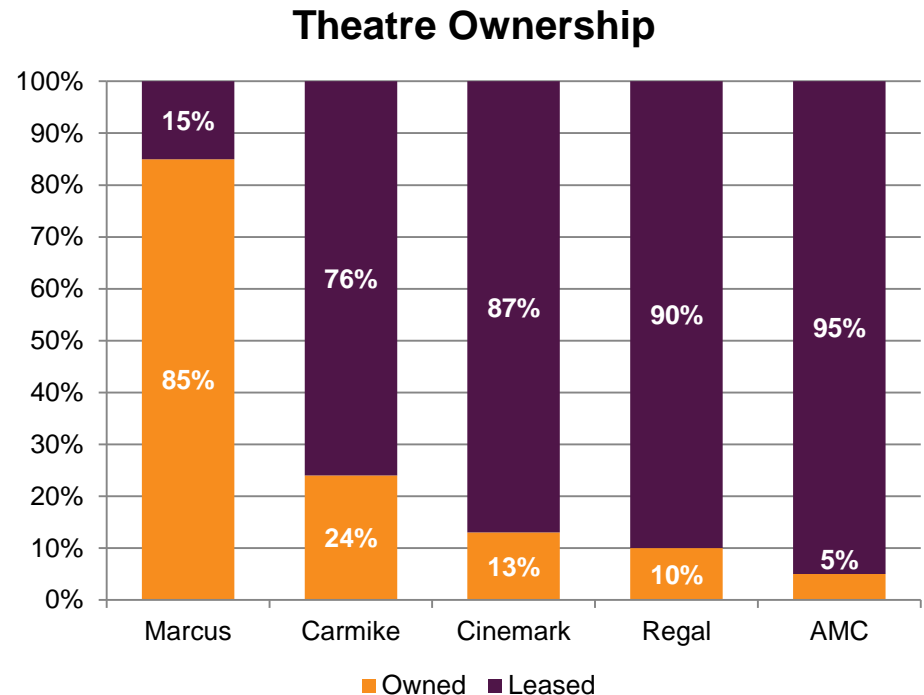


2013 Average Ticket Price for a Family of Four (in \$)



Unique Real Estate Ownership Profile

- Real estate ownership profile sets us apart
- Own 85% of our theatres keeping rental expenses at a minimum and distinguishing ourselves from the industry standard of leased theatres
- Real estate portfolio provides a strategic advantage through the ability to quickly react to changing theatre trends



Growth Strategies



**Grow
Revenues &
Expand
Audience**



**Enhance
Operating &
Marketing
Strategies**



**Engage with
Customers**



**Pursue
Expansion
Opportunities**

Grow Revenues & Expand Audience

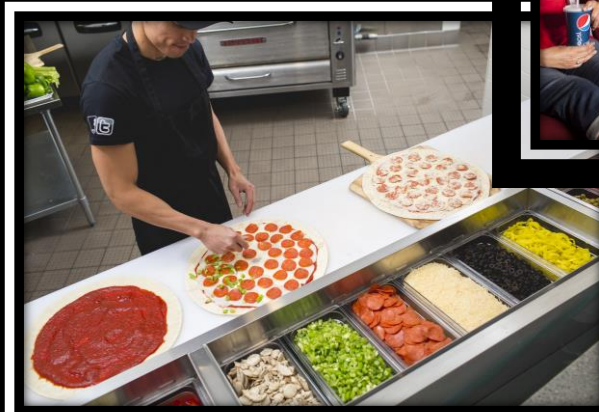
Invested \$50 Million in Existing Assets

- Added DreamLoungerSM premium recliner seating to **eight** theatres
- Increased number of large screen formats in the circuit to **20**: 11 *UltraScreen DLX*[®] (DreamLounger eXperience) and 9 traditional *UltraScreens*
- Added *Big Screen Bistros*SM to three theatres; **five** theatres total
- Added *Take Five*SM Lounges to five theatres; **11** theatres total
- Added *Zaffiro's*[®] Express to five theatres; **11** theatres total
- Further expansion planned for fiscal 2015

ZAFFIRO'S
EXPRESS



ULTRASCREEN[®] **DLX**



Grow Revenues & Expand Audience

Transforming the Way You See Movies

- DreamLoungerSM premium, luxurious recliner seating:
 - State-of-the-art oversized recliners
 - Ultimate in comfort; double the legroom
 - Requires full auditorium remodels to accommodate 7 feet of legroom
 - Eight theatres in six states; 127 auditoriums
 - In 15% of theatres and 19% of screens; highest percentages among the top chains
 - Tremendous positive customer feedback; increased attendance
 - Continued expansion in fiscal 2015



Dream  LoungerTM

Grow Revenues & Expand Audience

Transforming the Way You See Movies

- **UltraScreen DLX® Conversions:**
 - Bringing the best in premium, large-format presentation to moviegoers
 - Combines:
 - Screens up to 70 feet wide, three stories tall
 - Dolby® Atmos® immersive sound
 - DreamLounger recliner seating
 - All reserved seating, premium pricing
- 11 *UltraScreen DLX* screens and 9 traditional *UltraScreens* available in 35% of theatres; additional conversions planned for fiscal 2015



ULTRASCREEN® DLX
DREAMLOUNGER SEATING. IMMERSIVE EXPERIENCE.

Grow Revenues & Expand Audience

Signature Food & Beverage Concepts



- Relaxing, social gathering place
- Variety of chef-inspired menu offerings and full bar
- TV screens for watching sports and events at some locations
- 11 locations



- Full-service, in-theatre dining auditoriums
- Chef-prepared menu, concessions and cocktails delivered to customer's reserved seat by friendly waitstaff
- 5 locations (1 managed)



- Lobby dining amenity
- Freshly prepared Thincredible™ pizza, sandwiches, salads & desserts
- 11 locations



Grow Revenues & Expand Audience

Enhance Existing Assets

Major renovation completed at Majestic of Omaha (formerly 20 Grand) in Omaha, Neb. – remodeled box office, concession stand, auditoriums, lobby; added DreamLoungerSM seating, *Take Five Lounge* and *Zaffiro's Express*



Grow Revenues & Expand Audience

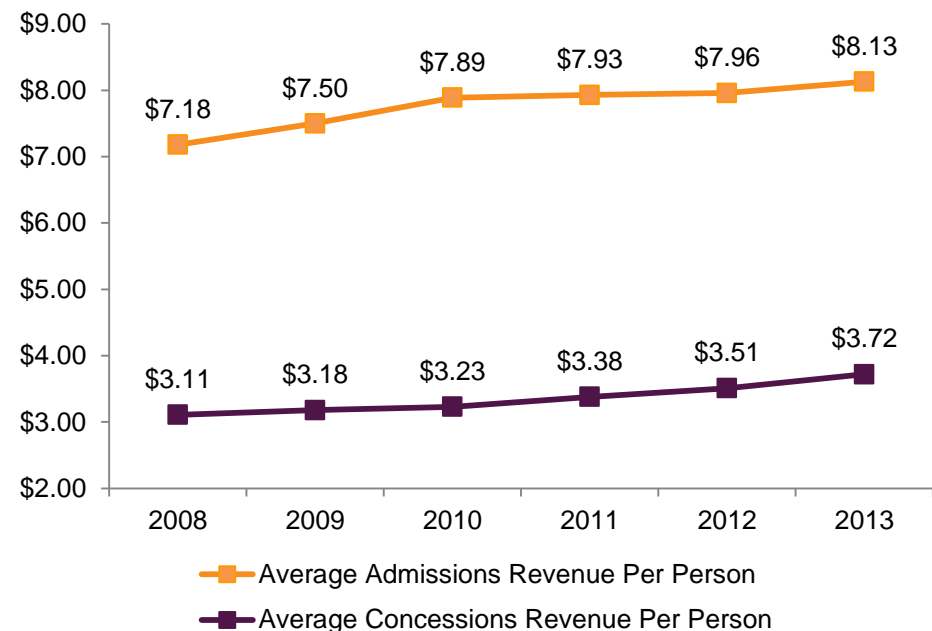
Admissions Revenue

- Admissions revenue per person is a function of the local markets
- Consistent and stable growth in admissions revenue despite economic conditions
- Most Marcus theatres are located in lower-priced Midwest locations

Concessions Revenue

- Concession sales per capita and revenues as a percent of box office receipts best in the U.S.
- Innovative food & beverage concepts contribute to industry-leading numbers

Industry Average Revenue Per Person



Note: There are no published industry averages for Average Concessions Revenue Per Person. The chart data is an average of the two biggest U.S. Movie Theatre chains (AMC and Regal)

Enhance Marketing & Operating Strategies

Value Pricing Promotions

- \$5 Tuesday promotion aimed at mid-week value customers
- Outstanding response has created another weekend day without impacting regular weekend attendance
- Contributed to outperformance of the industry in past three quarters
- Win-win-win for customers, studio partners and us
- Other promotions include \$5 Thursdays and Midnight Madness at select locations

**\$5 TUESDAYS
ALL MOVIES**
ALSO STARRING:



FREE Popcorn
for Magical Movie Rewards members.



\$5 STUDENT THURSDAYS

INCLUDES
FREE POPCORN
EVERY THURSDAY
LIMITED TIME OFFER



Enhance Marketing & Operating Strategies

Alternate Programming and Indie Focus

- Theatre Entertainment Network™ offers weekday alternate programming at 29 locations including live sports, concerts, classic movies & genre-specific films
- Indie Focus offers the best art and independent films



Engage with Customers

Magical Movie Rewards

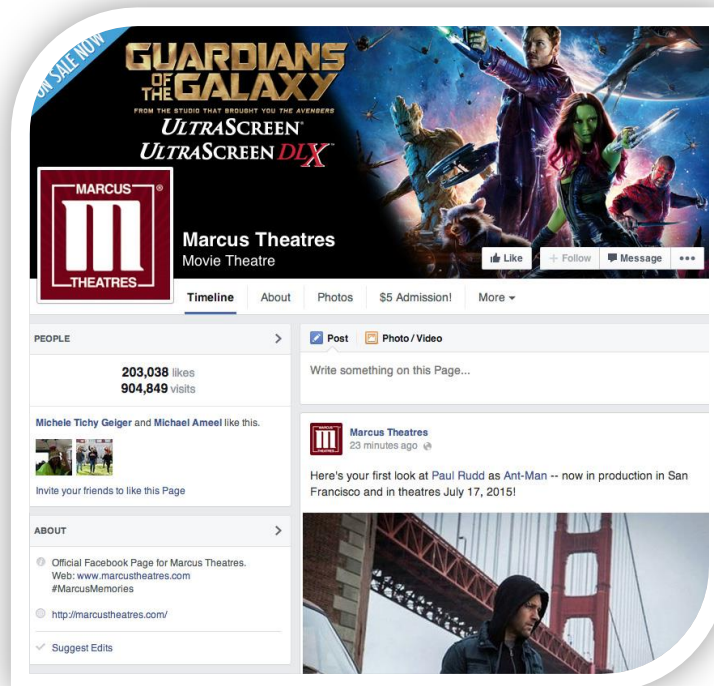
- Launched Magical Movie Rewards™ in March 2014; exceeded 640,000 members in first six months
- Benefits include:
 - Earn points for each dollar spent
 - Rewards redeemable at the box office, concession stand or signature food and beverage venues
 - No fees for online or mobile ticketing
 - Exclusive screening opportunities
 - Unique concessions offers
- Using data from Movio to understand customer preferences and habits and target rewards and promotions



Engage with Customers

Connecting Directly with Patrons

- Engage with moviegoers 24/7 about movies, events, special promotions, polls, contests and more
- 203,500 Facebook fans; 8,000+ Twitter followers



Engage with Customers

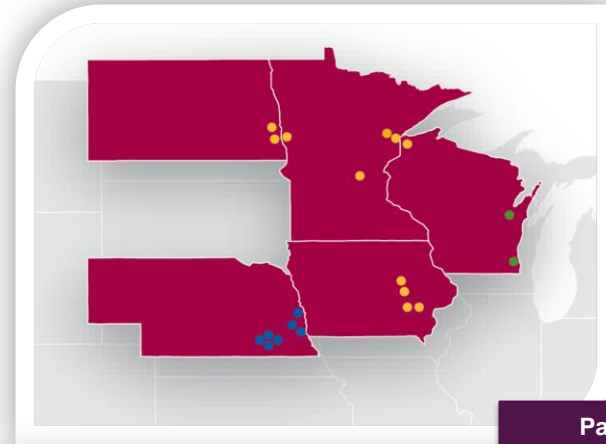
Smartphone App



- **Mobile app platform offers enhanced features including:**
 - Find a theatre
 - View trailers
 - Purchase tickets
 - Select reserved seat
 - Avoid printing a ticket
 - Access Magical Movie Rewards program
- **Free for iPhone and Android smartphones and tablets**

Pursue Expansion Opportunities

- Added more than 230 screens over the past 7 years; increased screen count 36%
- Built a presence in the Midwest
- Currently building a 12-screen theatre in Sun Prairie, Wis.
Will offer:
 - Reserved DreamLounger seating in every auditorium
 - Two *UltraScreen* DLX auditoriums
 - Four *Big Screen Bistro* auditoriums
 - *Zaffiro's Express & Take Five Lounge*
- Opening in May 2015; replaces older 16-screen theatre nearby

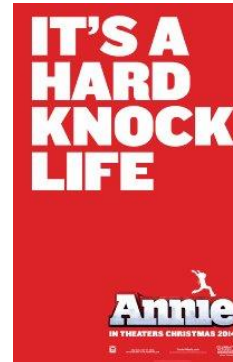
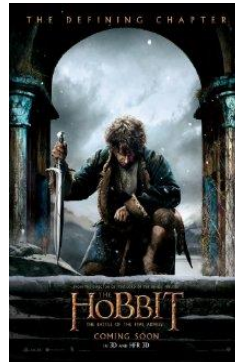
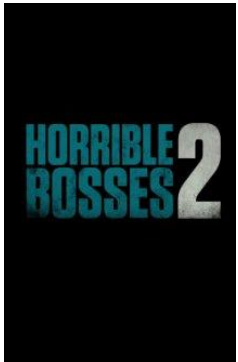


Palace at Sun Prairie



Movie Outlook

Remainder of Calendar 2014

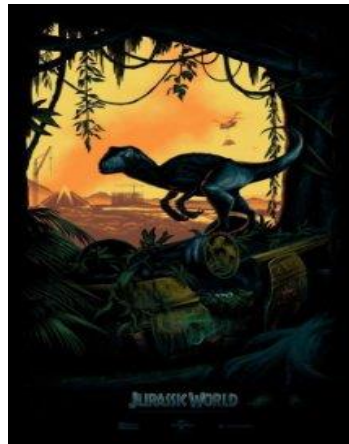


Movie Outlook

Encouraging 2015 & 2016 Film Slate

2015 Film Slate

- Insurgent
- Fast & Furious 7
- Avengers Age of Ultron
- Tomorrowland
- Jurassic World
- Inside Out
- Ted 2
- Minions
- Ant-Man
- Bond 24
- Hunger Games Mockingjay 2
- Star Wars Episode 7
- Mission Impossible 5



2016 Film Slate

- Avatar 2
- Captain America 3
- Superman vs Batman
- Alice in Wonderland 2
- X-Men: Apocalypse
- Finding Dory
- Independence Day 2
- Ice Age 5
- Planet of the Apes 3

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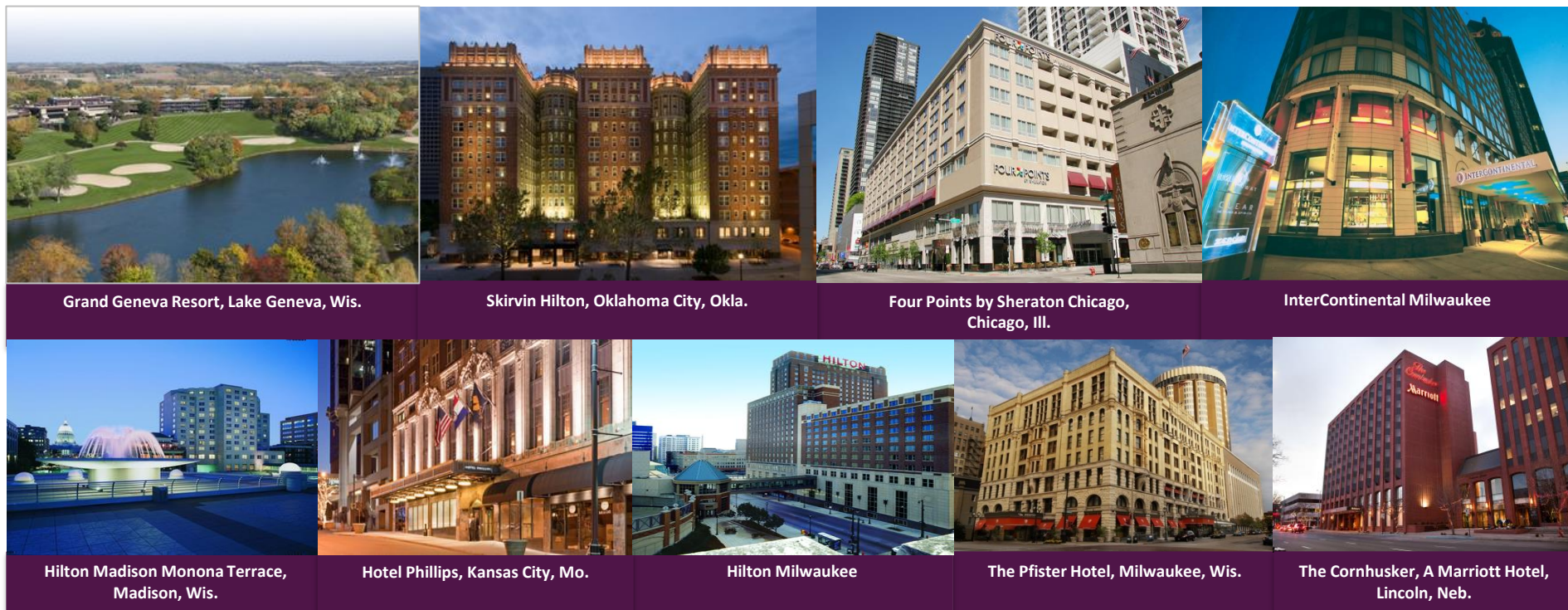
MARCUS
HOTELS & RESORTS



marcus® hotels & resorts

Diverse Portfolio

Company majority-owned properties:

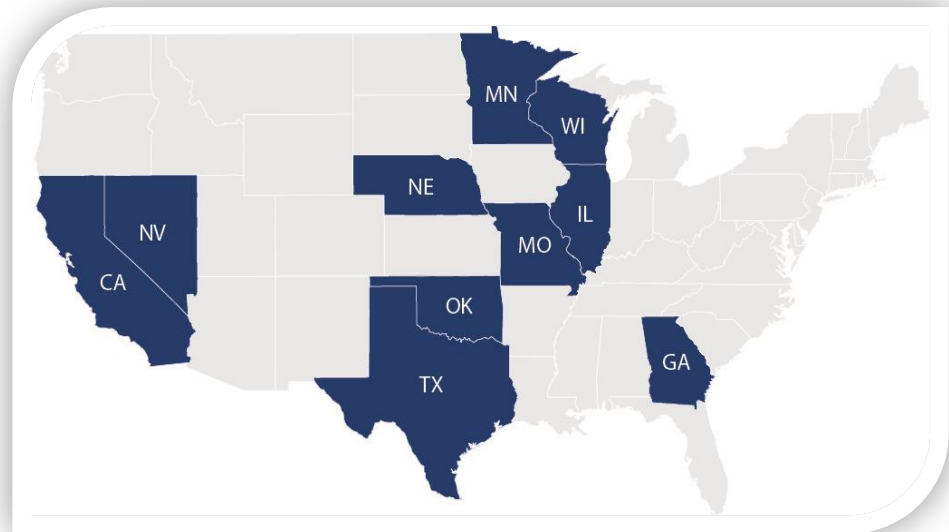


By The Numbers

- **Nine company majority-owned and operated properties**
- **Manage ten properties for other owners**
- **Own or manage ~5,200 rooms**
- **Invested nearly \$65M in existing hotels over the past five fiscal years**
- **Recently oversaw \$24M in renovations at new managed properties**

Marcus Hotels Locations

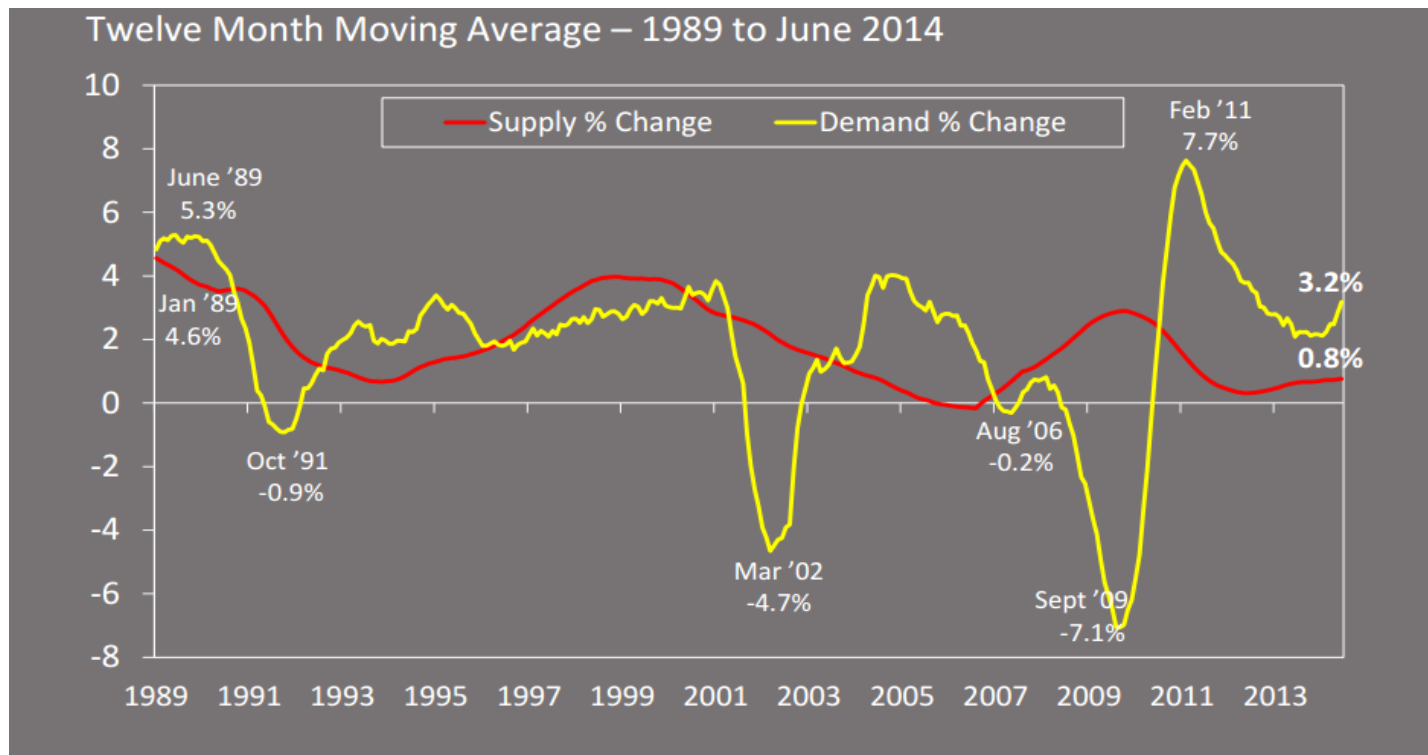
(Owned and/or managed)



Industry Performance

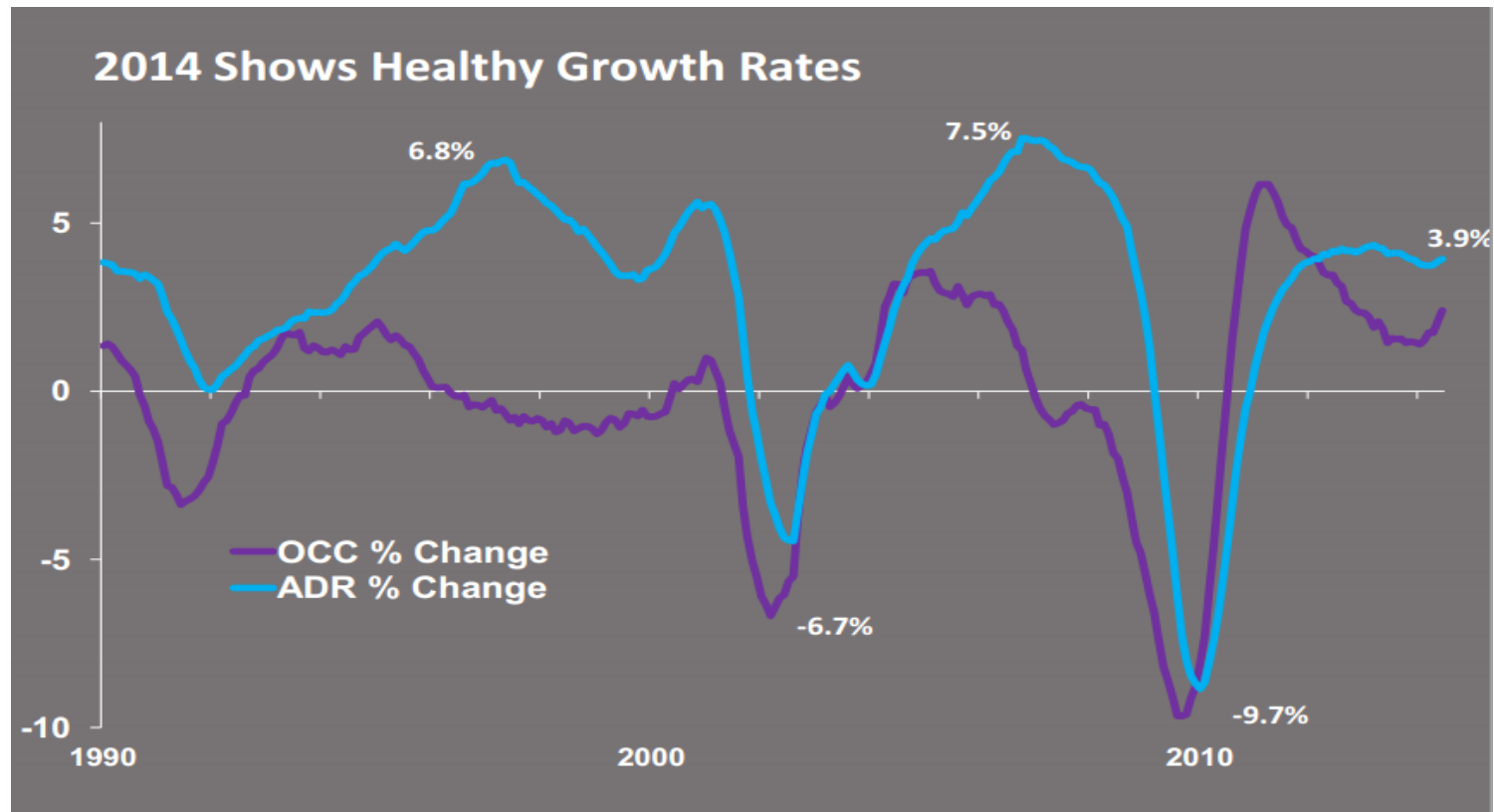
Supply/demand imbalance driving strong performance

Supply and Demand Change

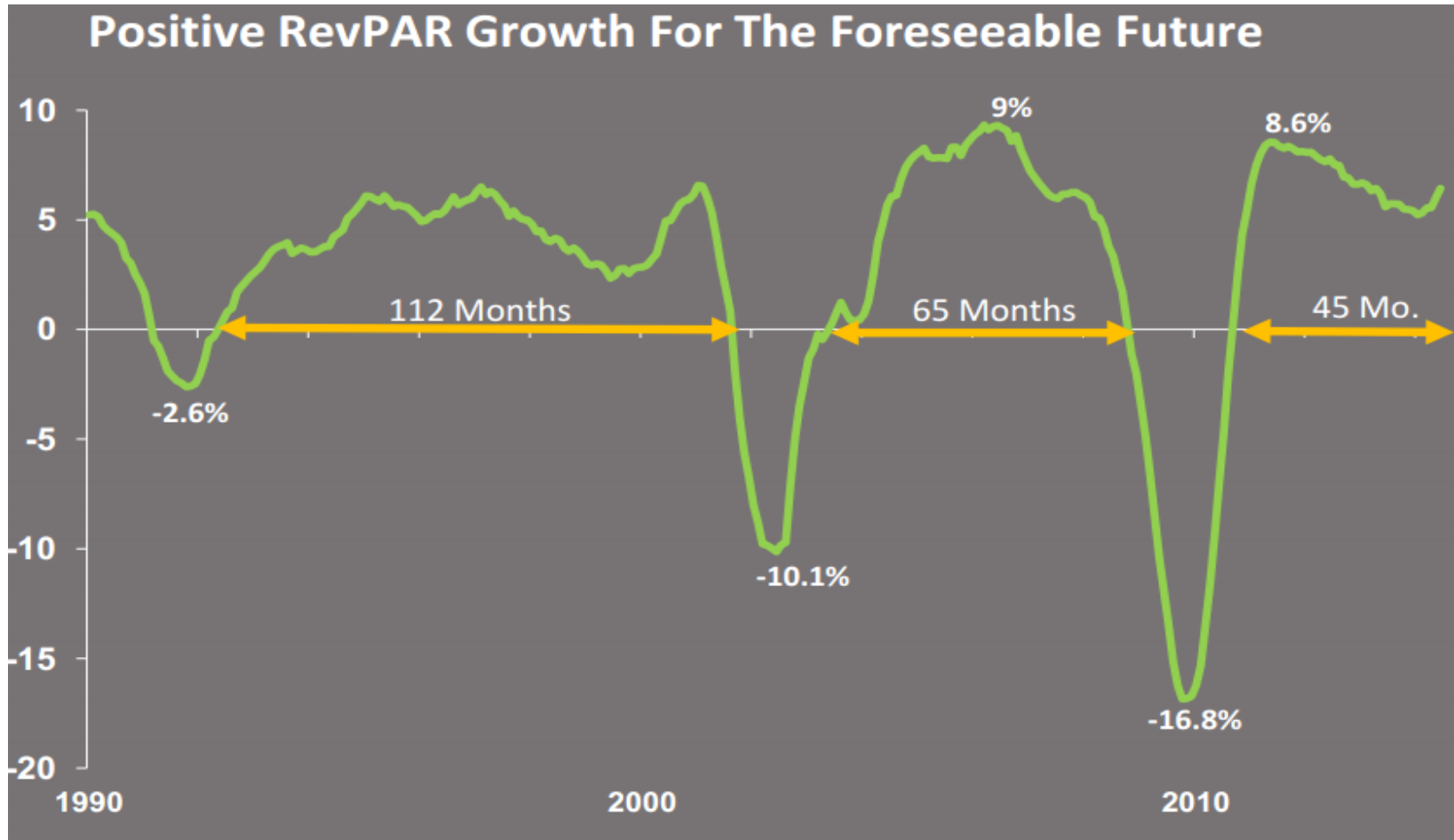


Industry Performance

- Occupancy rates at historic highs on an annualized basis
- ADR increasing but not back to historic levels



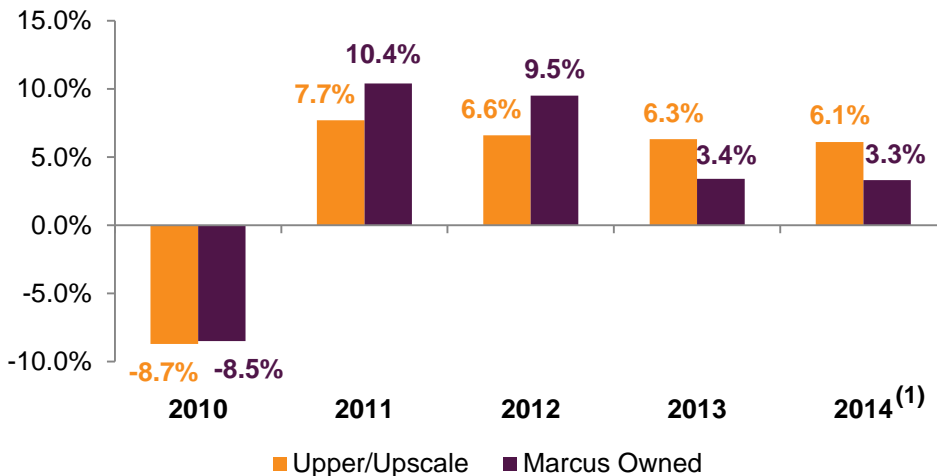
Industry Performance



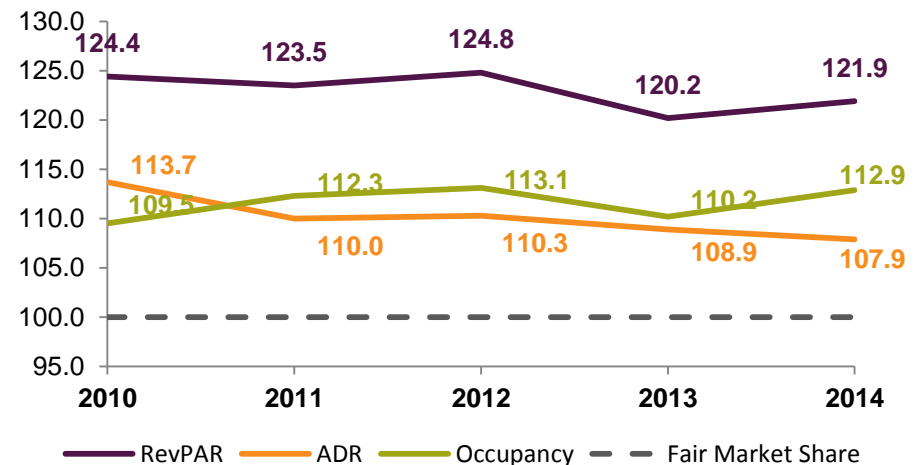
Industry Performance

- Leader in occupancy, ADR and RevPAR
- Consistently better than industry RevPAR metrics on year-on-year basis
- Marcus Hotels & Resorts has exceeded the fair share of the market in terms of RevPAR, ADR and Occupancy

YoY RevPAR Change – Marcus vs Industry



Marcus Owned Market Share ⁽²⁾



Source: Smith Travel Research

(1) Excluding two hotels with extenuating circumstances, Marcus RevPAR change was 6.2%

(2) Index value of 100.0 indicates fair market share. Value greater than 100.0 suggests greater than fair share of market

Industry Performance

- Continued upward trend in hotel market values
- Marcus hotels are generally in the upper upscale category
- Upper upscale hotels are projected to show strong value increase of 6.8% in 2014
- Book value of hotel assets is approximately \$325M, or approximately \$115,000 per room
- Continually evaluating individual hotel assets for divestiture

Year	Value per Room	Annual % Change
Overall		
2009	\$76,457	-18%
2010	78,326	2%
2011	87,952	12%
2012	98,322	12%
2013	107,222	9%
2014	115,132	7%

Luxury		
2009	253,083	-22%
2010	263,762	4%
2011	289,380	10%
2012	323,943	12%
2013	353,616	9%
2014	377,336	7%

Upper Upscale		
2009	134,460	-19%
2010	136,893	2%
2011	151,163	10%
2012	167,466	11%
2013	181,195	8%
2014	193,589	7%

Upscale		
2009	92,028	-19%
2010	92,721	1%
2011	106,429	15%
2012	117,935	11%
2013	128,147	9%
2014	136,979	7%

Source: Penn State index of U.S. Hotel Values 2014

Growth Strategies



**Acquire
Additional
Properties**



**Add New
Management
Contracts**



**Enhance
Existing Assets**



**Maximize
Competitive
Advantages**

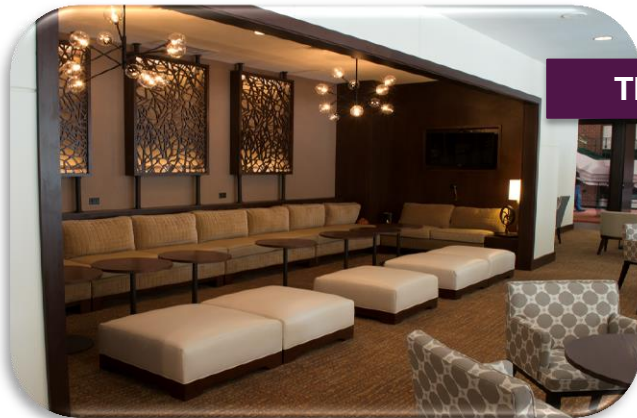
Acquire Additional Properties

Westin Atlanta Perimeter North

- **MCS Capital:**
 - Serves as an investment fund sponsor, joint venture partner or sole investor
 - Acquired properties can be managed by Marcus Hotels
 - Led by experienced industry executive with seasoned team of professionals



Add New Management Contracts



The Cornhusker Hotel

Heidel House Resort & Spa



Westin Atlanta Perimeter North

- Added 859 rooms in F2013 and F2014:
 - Managing the Heidel House Resort & Spa in Green Lake, Wis.
 - 73% majority owner of The Cornhusker, A Marriott Hotel, in Lincoln, Neb.
 - 11% interest in the Westin Atlanta Perimeter North in suburban Atlanta, Ga.
- Oversaw multi-million dollar renovations at The Cornhusker and Westin Atlanta
- Comprehensive portfolio of services hotel owners and developers need
- Proven track record
- Ability to make small equity investments in managed properties

Enhance Existing Assets

- **Converting Four Points by Sheraton Chicago Downtown/Magnificent Mile into one of the first AC Hotels by Marriott in the U.S.**
- **Inspired by the fashion houses of Spain; European urban lifestyle brand; contemporary look and feel**
- **Latest amenities and technology for the savvy traveler**
- **Will feature an AC Lounge, AC Library, AC Fitness and AC Breakfast**
- **Renovation to begin November 2014; anticipated spring 2015 opening**



Enhance Existing Assets

- Major renovation of 176 tower guest rooms at The Pfister completed; final phase of multi-year, multi-million dollar renovation
- Completed major renovations at The Cornhusker Hotel and Westin Atlanta Perimeter North totaling \$24M
- New Club Lounges at the The Pfister Hotel and Grand Geneva Resort & Spa
- State-of-the art, high-tech executive board room at The Pfister Hotel
- Enhanced Miller Time Pub & Grill restaurant concept at the Hilton Milwaukee; introduced second location at The Cornhusker
- Completed major hotel renovation projects at the Hilton Milwaukee, Grand Geneva Resort & Spa, Hotel Phillips and Hilton Madison in last four years

Pfister Tower Rooms



Westin Atlanta Perimeter North



Pfister Club Lounge



Maximize Competitive Advantages

- Over 50 years of industry experience
- Expertise in management, development, historic renovations and financing
- Portfolio of leading brands including Hilton, IHG, Marriott & Starwood
- Strong balance sheet; well positioned for growth
- Proven track record
 - Four properties received the AAA Four Diamond Award® rating in 2014
 - Pfister has maintained AAA Four Diamond status for 38 consecutive years since first introduced in 1976
 - 15 of Marcus Hotels' owned and managed properties received the TripAdvisor® 2014 Certificate of Excellence. 12 restaurants and lounges also received the designation in 2014
 - Eight hotels earned recognition as Best Hotels in their respective cities and states by *U.S. News & World Report* in 2013



Maximize Competitive Advantages

Engaging with Guests

- Mobile websites for smartphones and tablets; tremendous growth in Facebook and Twitter followers
- Social media team at each property responds to customer comments and online reviews
- Capture customers directly through online search, advertising and email
- Hotel and restaurant loyalty program established in 2008; over 27K members
- Points system rewards repeat customers; data used for targeted marketing



Maximize Competitive Advantages

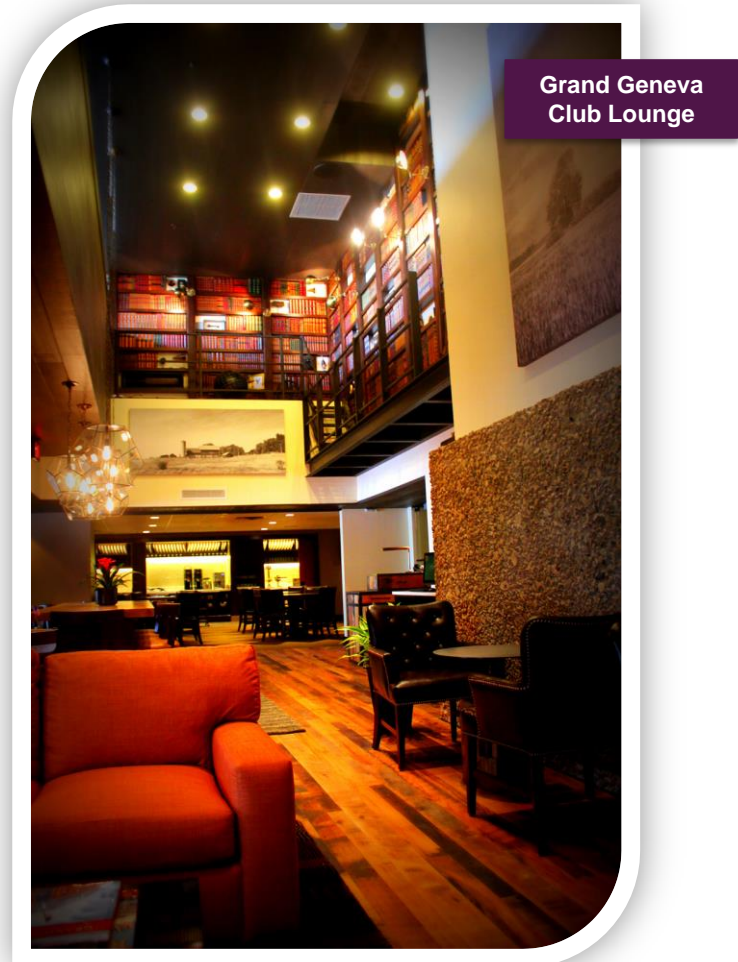
Grow Food & Beverage Revenues

- Food and beverage revenues up 6.1% in F2014; contributed to division's improved operating results
- Expanding successful internally developed restaurant brands and catering & events business
- Reintroduced Miller Time Pub & Grill concept at Hilton Milwaukee and opened second location at The Cornhusker in Lincoln, Neb.



Outlook

- Industry continues to rebound
- Good economic environment needed to sustain upward trends
- Near-term supply growth has been limited
 - Exceptions are the Milwaukee and Oklahoma City markets
- Exploring hotel investments through MCS Capital
- Actively pursuing new management contracts; added highly experienced development executive
- Leveraging experience and complete portfolio of services
- Exploring selected hotel asset sales with goal of retaining management





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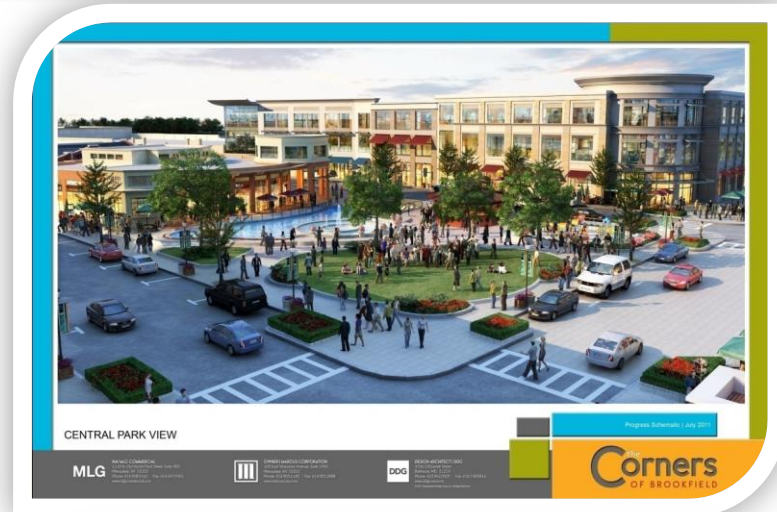


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The Corners of Brookfield

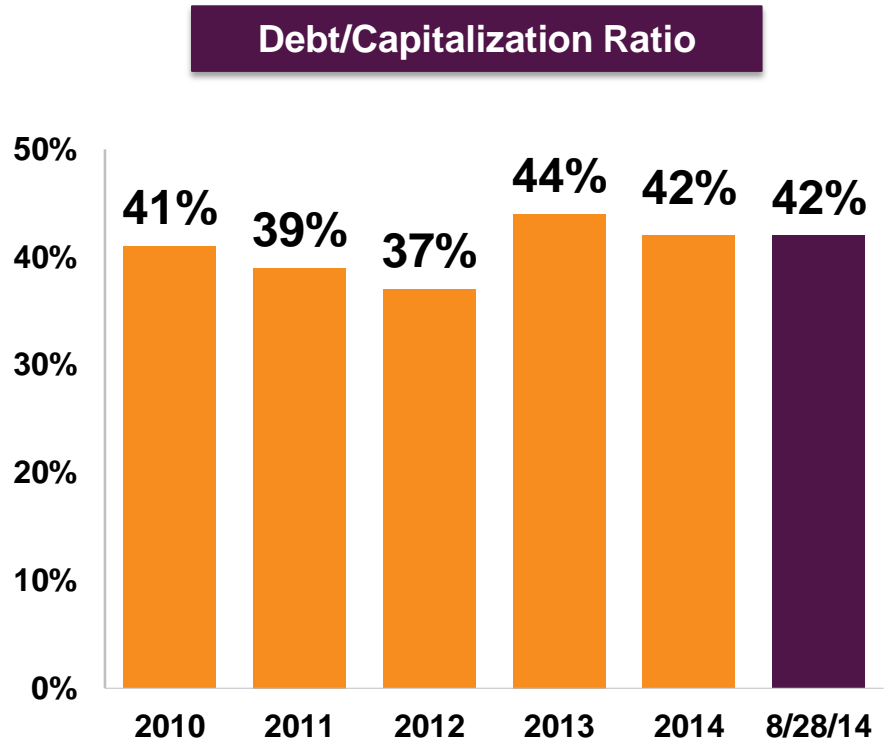
- **\$150 million, mixed-use open-air development**
- **400,000 square feet of retail**
- **150 luxury residential apartments**
- **Anchored by first Von Maur department store in Wis.**
- **Currently finalizing leasing and JV agreements; we will have a minority interest in the project**



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Conservative Capitalization/ Ample Access to Capital

- Strong and consistent cash flow
- Credit facilities well positioned for growth
- \$141 million of unused credit lines as of 8/28/14
- Debt portfolio at 8/28/14 was 70% fixed/30% variable; average interest rate of 3.9%





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Summary



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Shareholder Value Creation

Long-Term Value Maximization



Theatre Expansion

- Acquisitions
- New Builds

Hotel Expansion

- Joint Ventures
- Management Contracts
- Creation of a Fund

Reinvestment in Existing Assets

- Hotel & Theatre Renovations
- New Amenities & Features
- F&B Innovations
- *UltraScreens*, *DreamLoungers* & *UltraScreen DLX*

Divestitures of Assets

- Sale of Selected Hotels (may retain management)
- Selected Theatre Replacement

Operating Strategies

- Revenue Enhancements
- Cost Rationalization
- Management

Capital Structure Strategies

- Share Repurchases
- Dividend Policy
- Balance Sheet Management



Focused on Long-Term Shareholder Value

Company Strengths

Market leadership with national presence

Long-term track record of continuous growth

Conservative capitalization and ample liquidity to fund both future growth and return of capital to shareholders

Significant real-estate assets

Experienced management team



The Marcus Corporation



innovate.

Investor
Presentation
Appendix



The
Marcus
Corporation



invest.

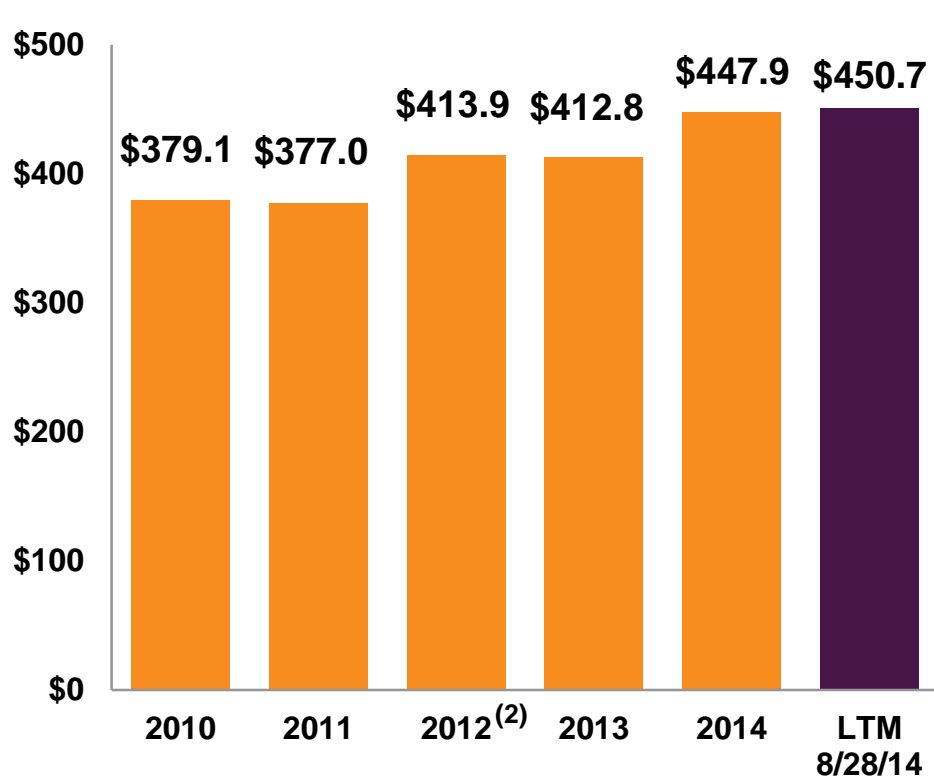


inspire.

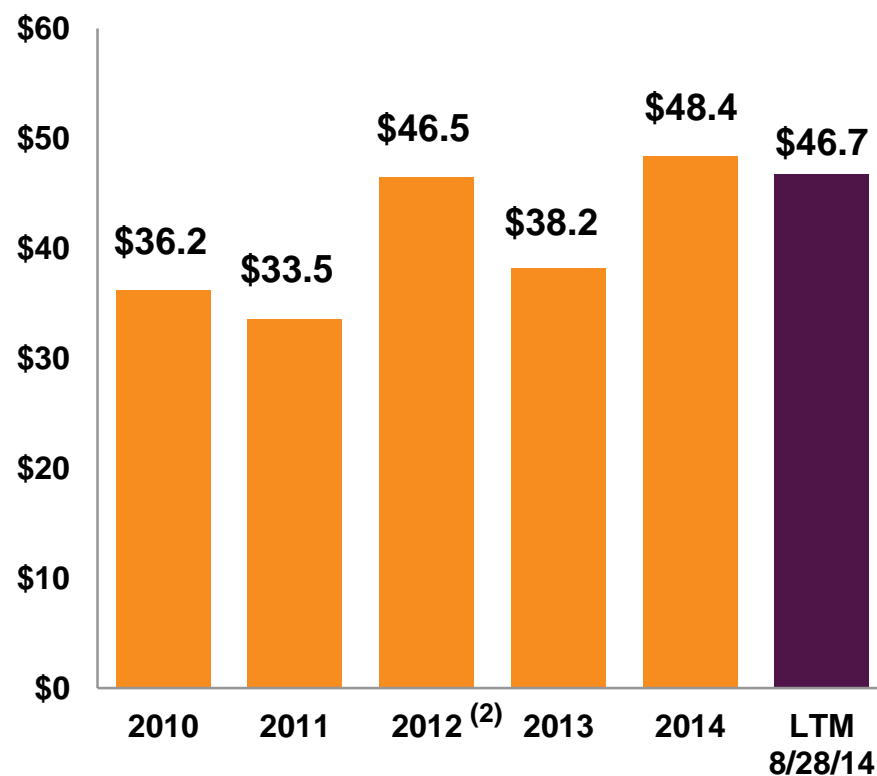
the marcus® corporation

Financial Performance

Revenues (in millions)



Operating Income⁽¹⁾ (in millions)



(1) Legal costs related to the now-settled lawsuits concerning our Las Vegas property totaled approximately \$3.3 million in 2013, \$1.4 million in 2012, \$1.8 million in 2011 and \$1.7 million in 2010.

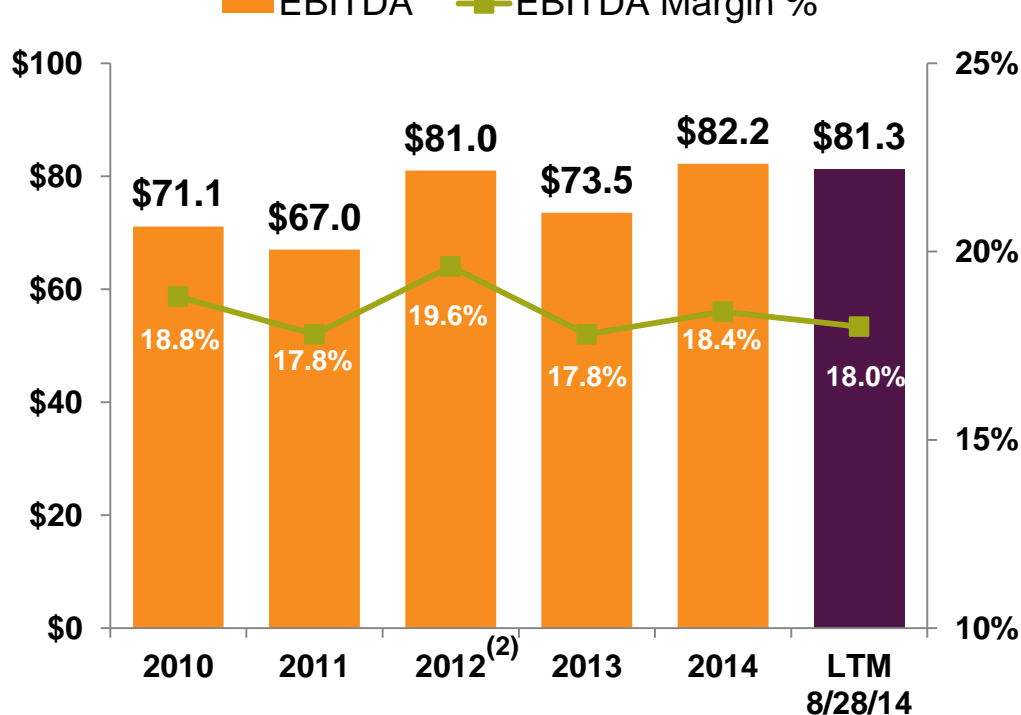
(2) Fiscal 2012 was a 53-week year and operating results benefited from the extra week of operations.

the marcus® corporation

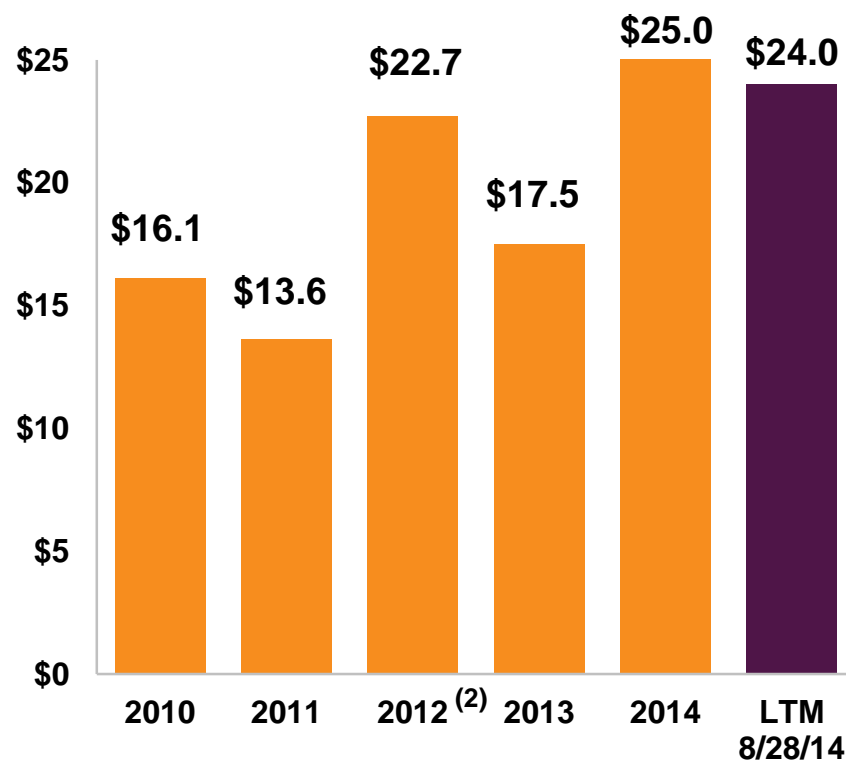
Financial Performance

EBITDA⁽¹⁾ (in millions)

EBITDA EBITDA Margin %



Net Earnings (in millions)



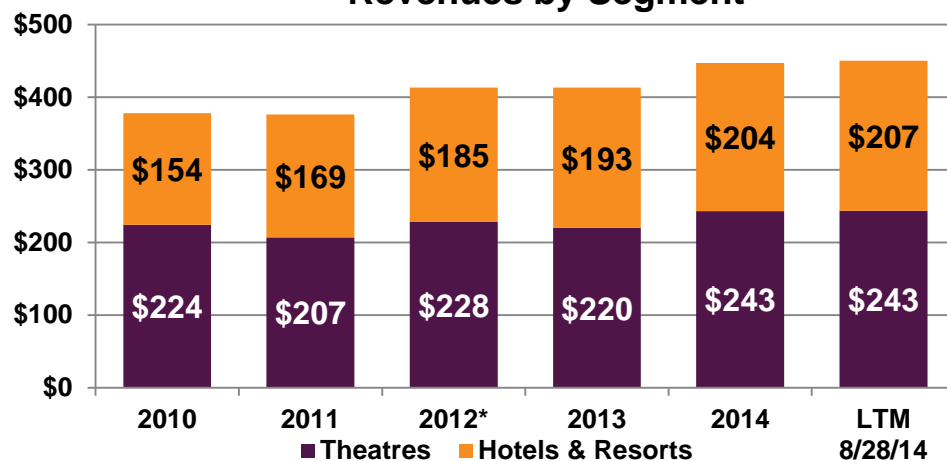
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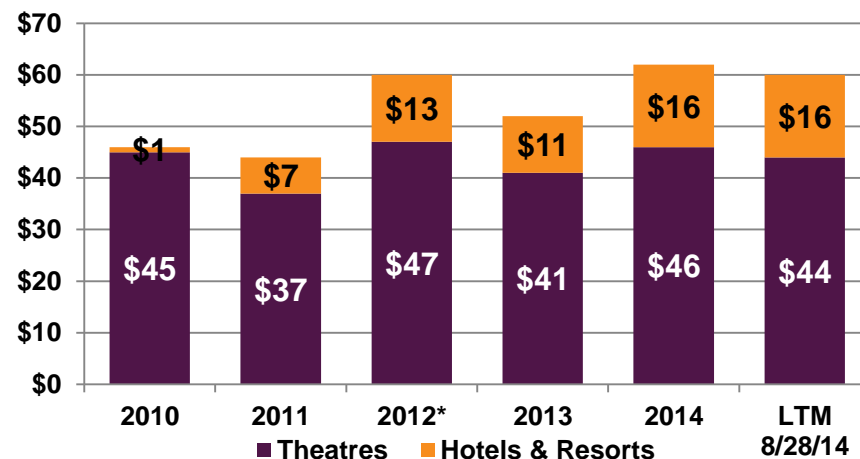
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Historical Results by Segment

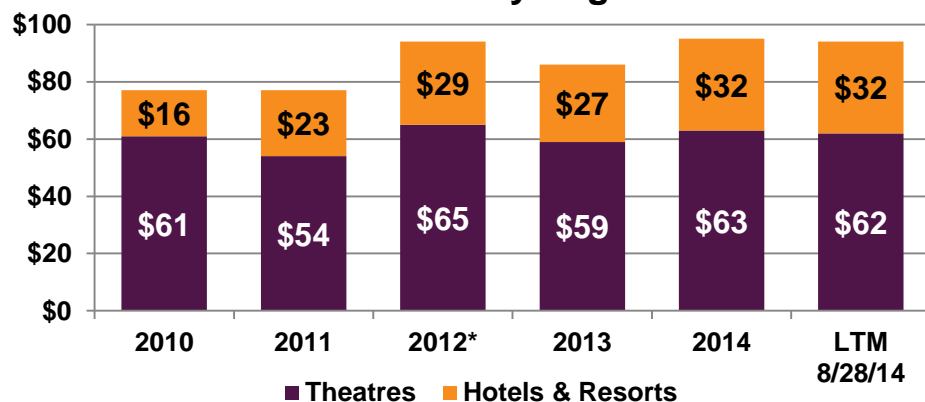
Revenues by Segment



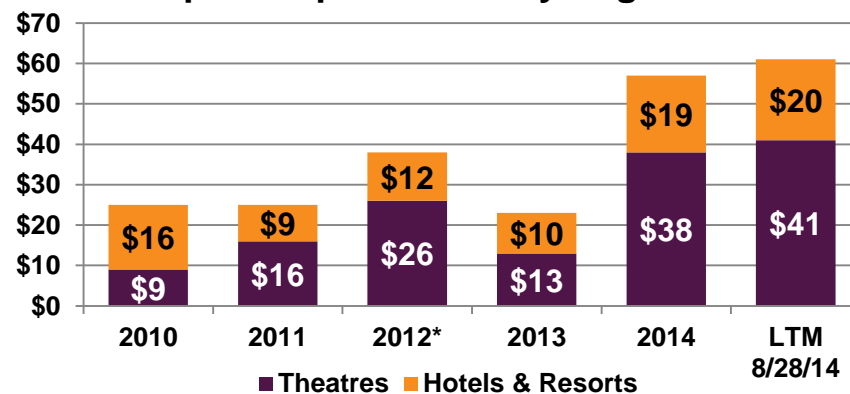
Operating Income by Segment



EBITDA by Segment



Capital Expenditures by Segment



*Fiscal 2012 was a 53-week year.

Note: Corporate revenues and expenses are not reflected in operating income, EBITDA and capital expenditures.

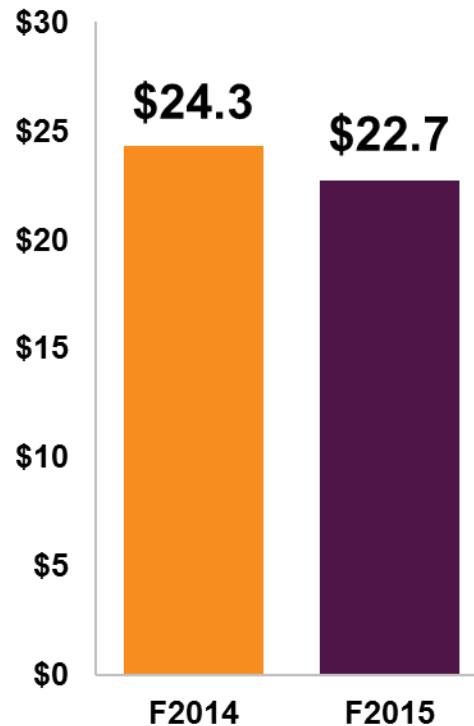
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First Quarter Fiscal 2015 Results

Revenues *(in millions)*



Operating Income *(in millions)*



EPS



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Q1 Fiscal 2015 Highlights

Marcus Theatres

- Admissions revenues outperformed the industry for third consecutive quarter
- Revenues up slightly; operating income down 12.2% due to weaker summer film slate and launch of new initiatives
- Concession revenues up 5.2%
- New amenities, food and beverage concepts and \$5 Tuesday promotion contributed to box office outperformance



Marcus Hotels & Resorts

- Achieved record revenues and near-record operating income
- RevPAR for comparable company-owned hotels up 6.5%
- Occupancy at historic highs
- Average daily rate continues to increase



Investor
Presentation

September
2014



The
Marcus
Corporation



innovate.



invest.



inspire.