



THE MARCUS CORPORATION B.RILEY & CO. PRESENTATION MAY 22, 2013



9.7%
increase in average
concession sales
per person



9.5%
increase in revenue
per available room



69.6%
increase in earnings
per share

MDX
MARCUS DIGITAL XPERIENCE

95%
of first-run screens
converted to digital
projection, including
24% with 3D capability



9.8%
revenue increase



30.2%
total return to
shareholders
in fiscal 2012



18.4%
increase in hotel
banquet and catering
meals served

Strength in Numbers

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 increasing depreciation expenses, reduced operating profits during major property renovations, and reopening and start-up costs due to the capital intensive nature of our businesses; (3) the effects of adverse economic conditions in our markets, particularly with respect to our hotels and resorts division; (4) the effects of adverse weather conditions, particularly during the winter in the Midwest and in our other markets; (5) the effects on our occupancy and room rates of the relative industry supply of available rooms at comparable lodging facilities in our markets; (6) the effects of competitive conditions in our markets; (7) our ability to identify properties to acquire, develop and/or manage and continuing availability of funds for such development; and (8) 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. 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.



Company Overview

- A leader in lodging and entertainment
- LTM¹ Revenues: \$420M
- LTM¹ EBITDA: \$78M
- Strong senior management team
 - Average tenure: 22 years
- Market Cap: ~\$347M (as of 5/1/2013)
- Recognized by *Forbes* as one of “America’s Most Trustworthy Companies” in 2013

(¹) Last 12 months ended February 28, 2013



MCS
LISTED
NYSE



THE MARCUS CORPORATION

A Leader in Lodging & Entertainment

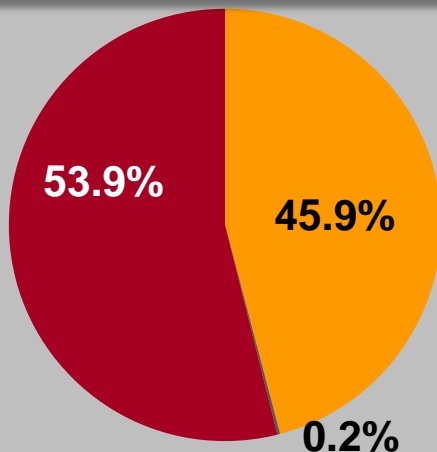


- Fifth largest U.S. exhibitor
- 686 screens at 55 locations in 7 states

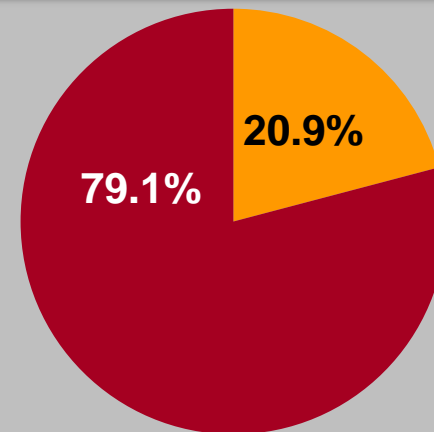


- Portfolio of 20 distinctive properties
- Manage ~ 5,400 rooms in 11 states

Revenues by Division LTM



Operating Income by Division LTM



- Marcus Theatres
- Marcus Hotels
- Corporate Items



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
- Conservative capitalization
- Liquidity to fund future growth; “capital-light” hotel growth strategy
- Significant real estate assets

Return of Capital to Shareholders

- Current cash dividend \$0.34 per share; yield 2.7% (as of 5/1/2013)
- Special dividends in 2006 (\$7.00) and 2012 (\$1.00)
- Repurchased 1.1 million shares in fiscal 2012 and 1.8 million shares YTD as of 2/28/13



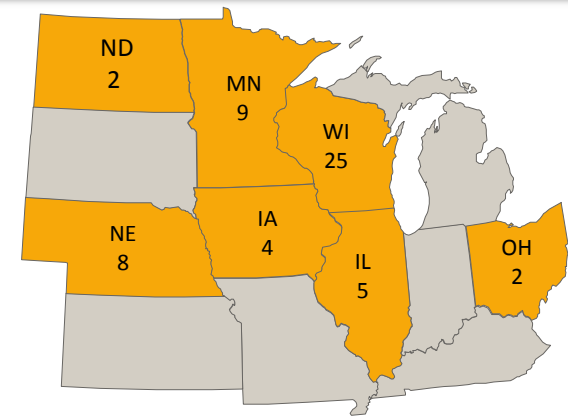
MARCUS THEATRES®



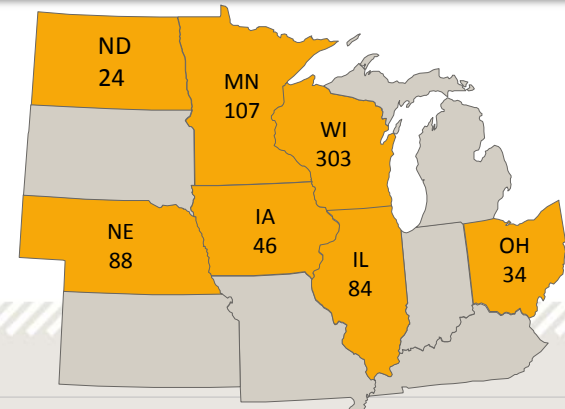
By the Numbers

- 83% of screens are in states where Marcus is the #1 or #2 player among our peers
- Highest percentage of stadium seating among our peers
- 12.5 screens per location
- 15th *UltraScreen*® premium large-screen auditorium to open in summer
- Digital cinema in 99% of first-run screens
- Digital 3D capability at 25% of first-run screens including 79% of *UltraScreens*
- Acquired more than 230 screens over the past six years; increased screen count by 36%

Marcus Theatres by Location



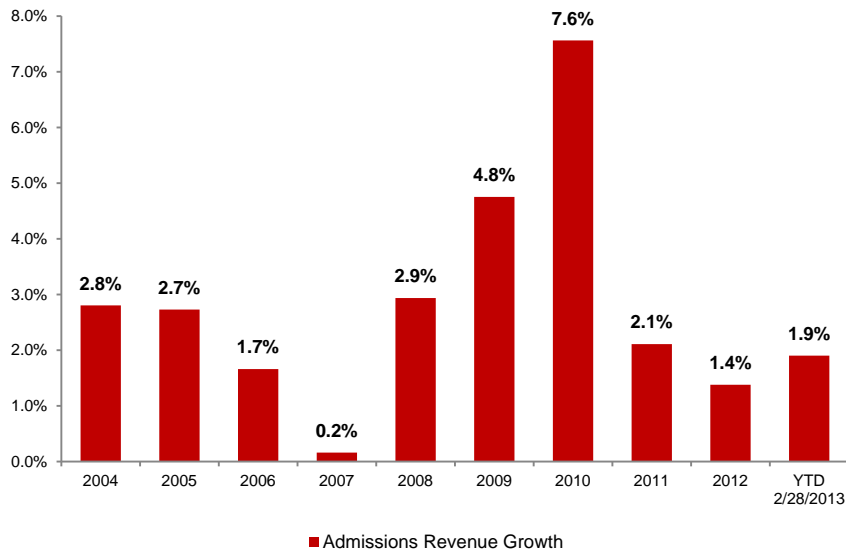
Marcus Theatres by Screen



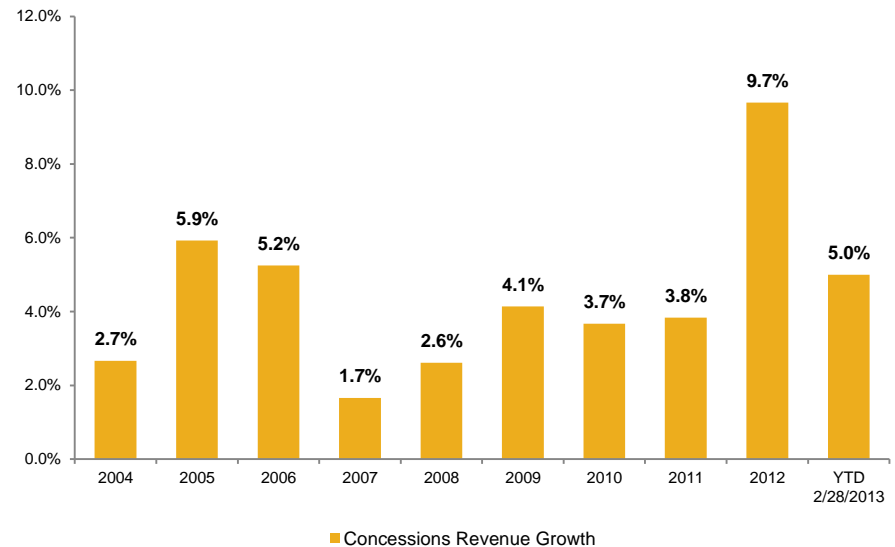
By the Numbers

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

Admissions Revenue per person YoY Growth



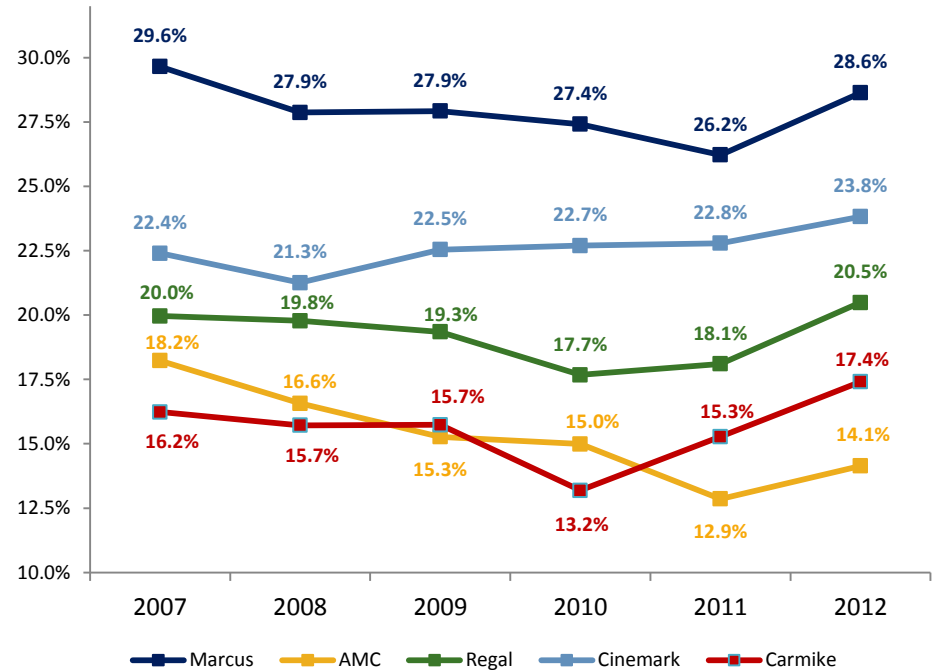
Concessions Revenue per person YoY Growth



By the Numbers

- Stable and consistent EBITDA margins
- Industry-leading EBITDA margin of 28.6%
- Consistently stronger than larger competitors

EBITDA Margin

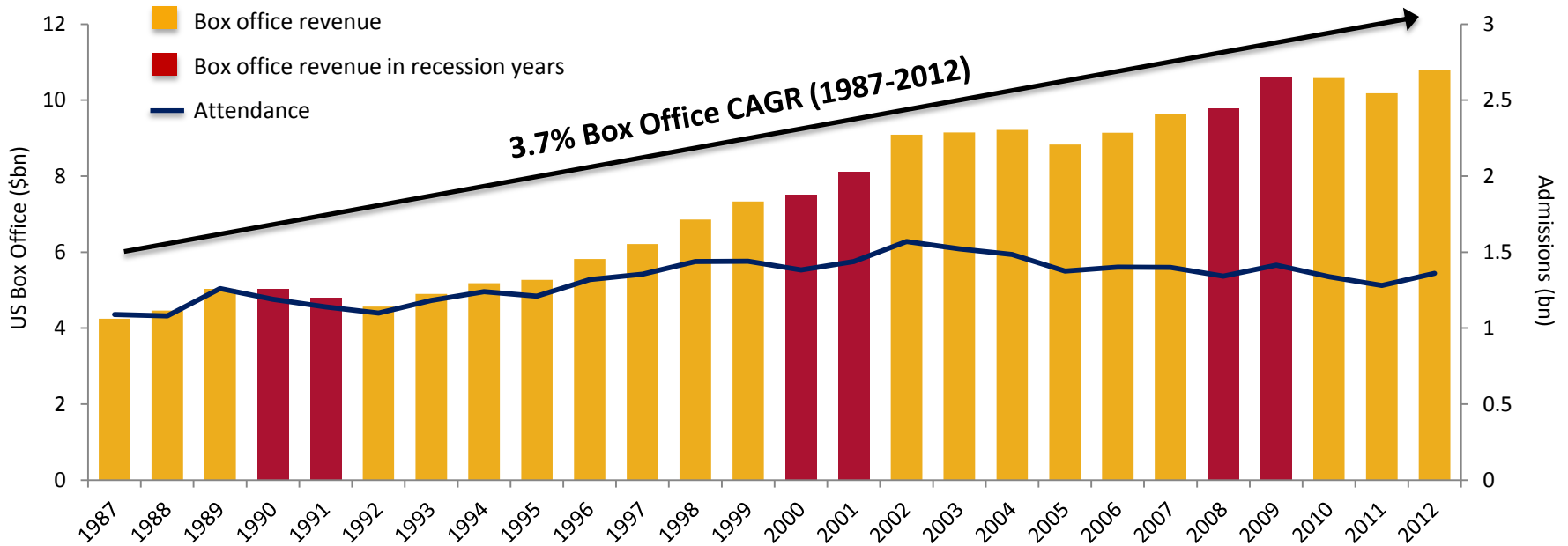


Note: EBITDA is specific to Marcus Theatres division only



Domestic Attendance & Box Office

- North American attendance increased 6.3% in calendar 2012 following a 4.7% percent decrease in calendar 2011
- Box office revenues in North America rose to \$10.8 billion in calendar 2012 from \$10.2 billion in 2011
- Resilient industry growth during recessions

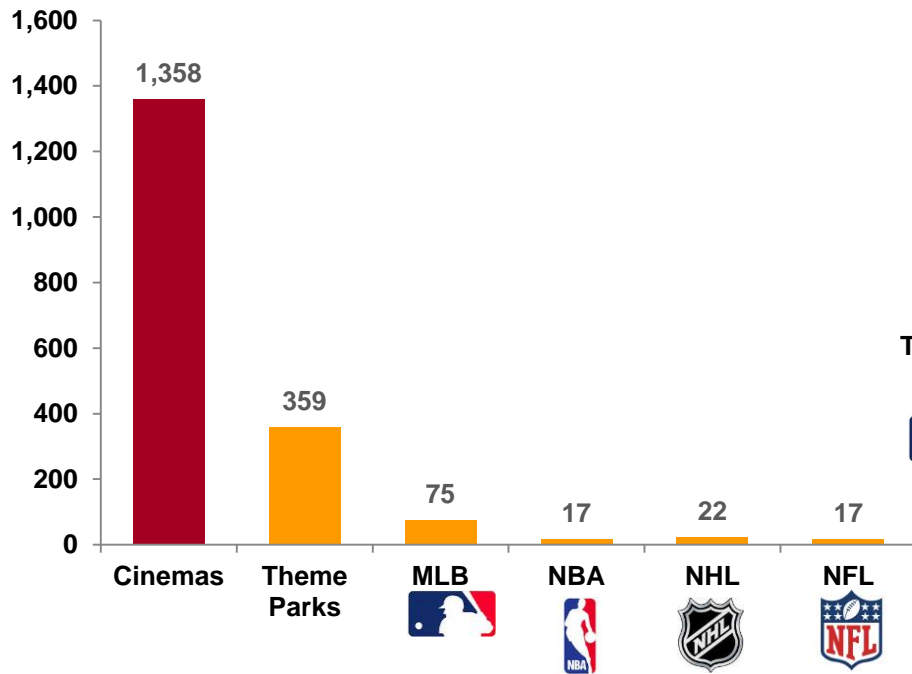


Source: National Association of Theatre Owners

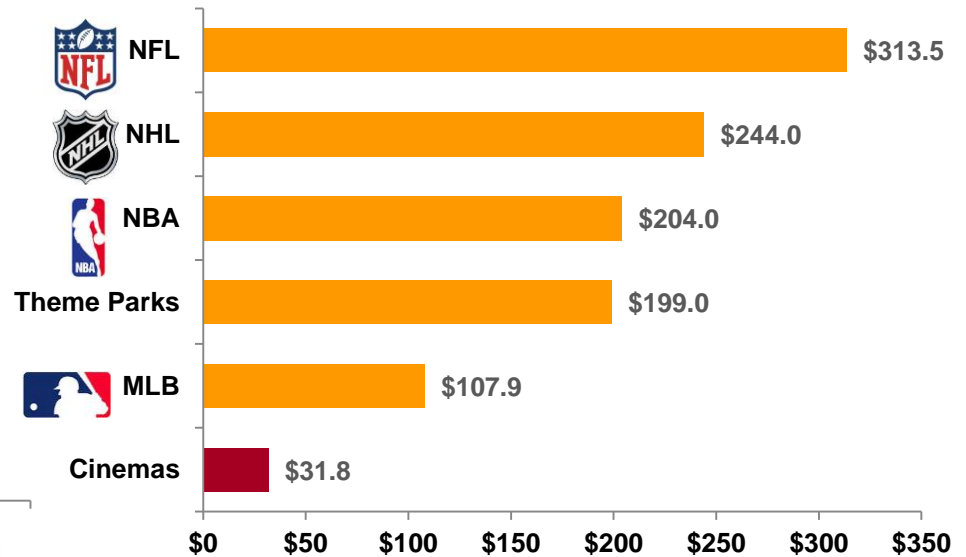


Best Entertainment Value

2012 Attendance (millions)



2012 Average Ticket Price for a Family of Four (in \$)



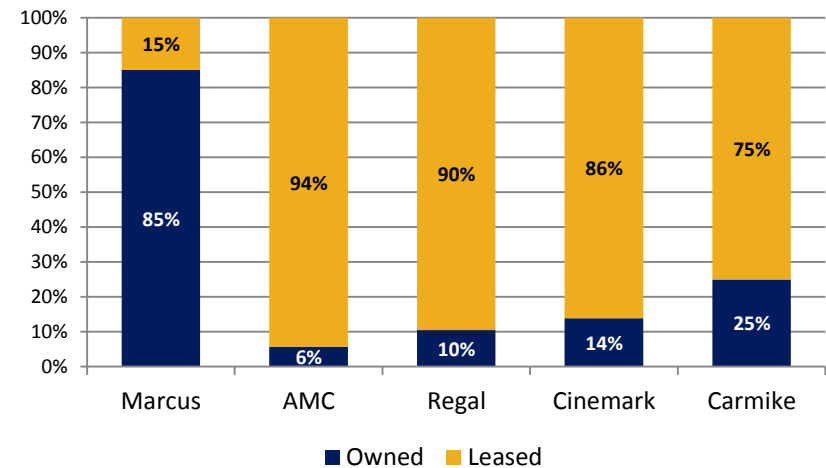
Source: Motion Picture Association of America Report: Theatrical Market Statistics 2012



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 gives us a strategic advantage through the ability to quickly react to changing theatre trends

Theatre Ownership



Growth Strategies



**Enhance the
Customer
Experience**



**Engage with
Customers**



**Grow
Revenues &
Expand
Audience**



**Pursue
Expansion
Opportunities**



Enhance the Customer Experience

Smartphone App

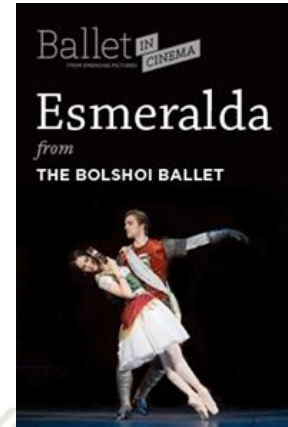
- Enhancing current mobile app to offer more features that benefit customers
- Enhanced mobile website for phones and tablets
- Offer enhanced mobile ticketing platform
 - Paperless entry
 - Reserved seating selections
 - Concessions order/delivery



Enhance the Customer Experience

Transforming the Way You See Movies

- Digital cinema on 99% of first-run screens; branded MDX™; Marcus Digital Xperience™
- Digital 3D capability at 25% of first-run screens including 79% of UltraScreens®
- Introducing Barco Auro 11.1 immersive audio at Gurnee, Ill. UltraScreen this summer
- Provide alternate programming at 38 locations including live sports, concerts, ballet and opera
- Advertising revenue opportunities include on-screen 3D and mobile



Engage with Customers

Connecting Directly with Patrons



- 190,000 subscribers to weekly digital newsletter



- Improved digital presence and online access to showtimes & movie tickets
- Hotbutteredpopcorn.com movie trailers



- 112,200 Facebook fans; 5,000+ Twitter followers
- Engage with moviegoers 24/7 about movies, events, special promotions, polls, contests and more
- Prior to visit, in-theatre and after movie interaction

Grow Revenues & Expand Audience

Enhanced Food & Beverage Concepts



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

- In-theatre dining auditoriums
- Chef-prepared menu, concessions and cocktails delivered to customer's reserved seat by friendly wait-staff
- Luxury seating

- Freshly prepared thincredible™ pizza
- Complete restaurant and bar menu
- Opened third restaurant location in suburban Milwaukee in 2012



Grow Revenues & Expand Audience

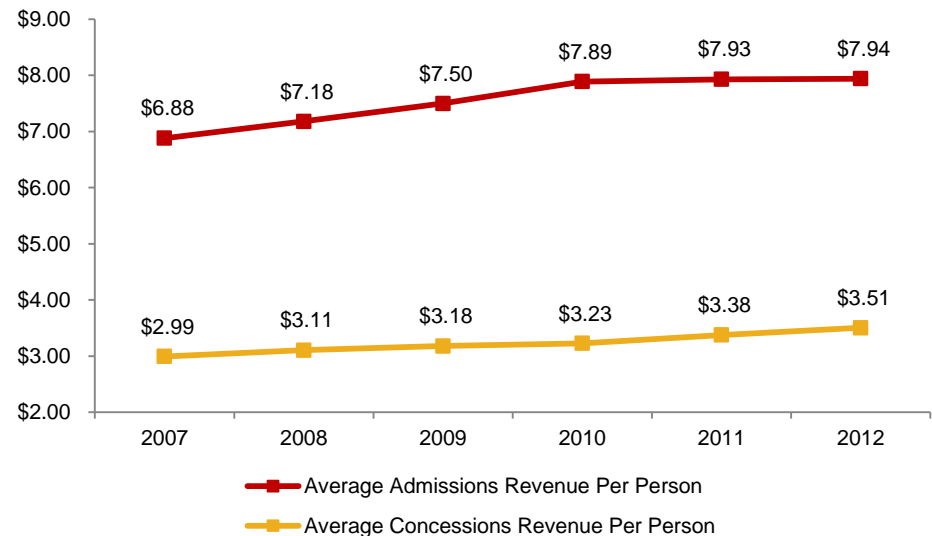
Admissions Revenue

- 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 cost 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 US Movie Theatre chains (AMC and Regal)



Pursue Expansion Opportunities

UltraScreen® Premium Large-Screen Auditorium

- 70-foot-wide and three stories tall; luxury seats
- Premium pricing
- Can show 2D or 3D films on majority of *UltraScreens*; 3D branded *UltraScreen XL3D*
- Reserved seating in select *UltraScreens*
- 15th *UltraScreen* under construction in Gurnee, Ill.
- Recent *UltraScreen* additions have resulted in theatre box office increases of 19-28%



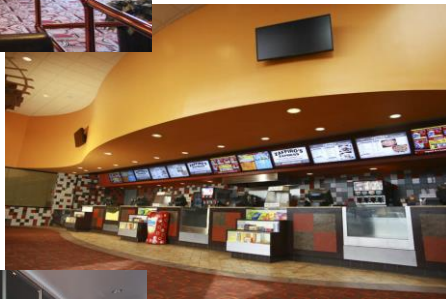
Pursue Expansion Opportunities

- Added more than 230 screens over the past six years; increased screen count 36%
- Purchased 16-screen cinema in Appleton, WI in September 2010 and 12-screen cinema in suburban Milwaukee in December 2011
- Acquired former OMNIMAX theatre in Duluth, Minn.; converted it to 14th *UltraScreen* in June 2012
- Industry is fragmented with ~50% of U.S. screens owned by ~800 smaller operators



Pursue Expansion Opportunities

Enhance Existing Assets

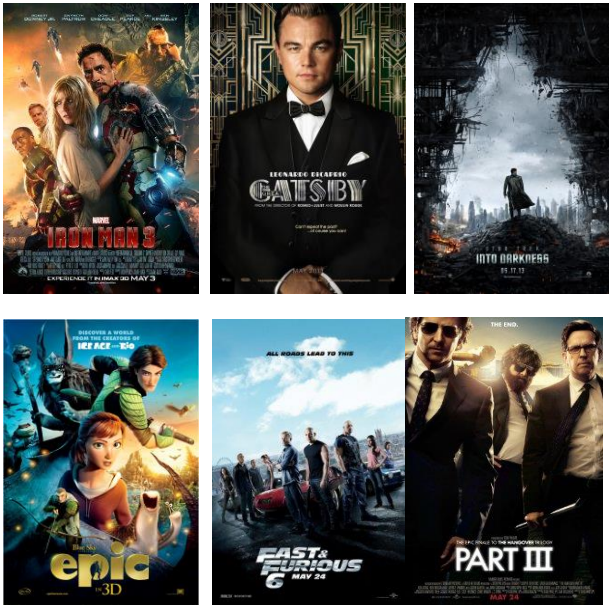


- Major renovations recently completed or underway at several theatres:
 - St. Cloud, Minn. – remodeled auditoriums, concession stand, box office, lobby; added *Zaffiro's Pizzeria & Bar*
 - Columbus, Ohio – remodeled auditoriums and lobby
 - Madison, Wis. – remodeled exterior and interior, auditoriums; added *Take Five Lounge* and *Zaffiro's Express*
 - Omaha, Neb. – remodeled box office, concession stand, auditoriums, lobby; added *Take Five Lounge* and *Zaffiro's Express*
- Ongoing renovations and upgrades at other select theatres

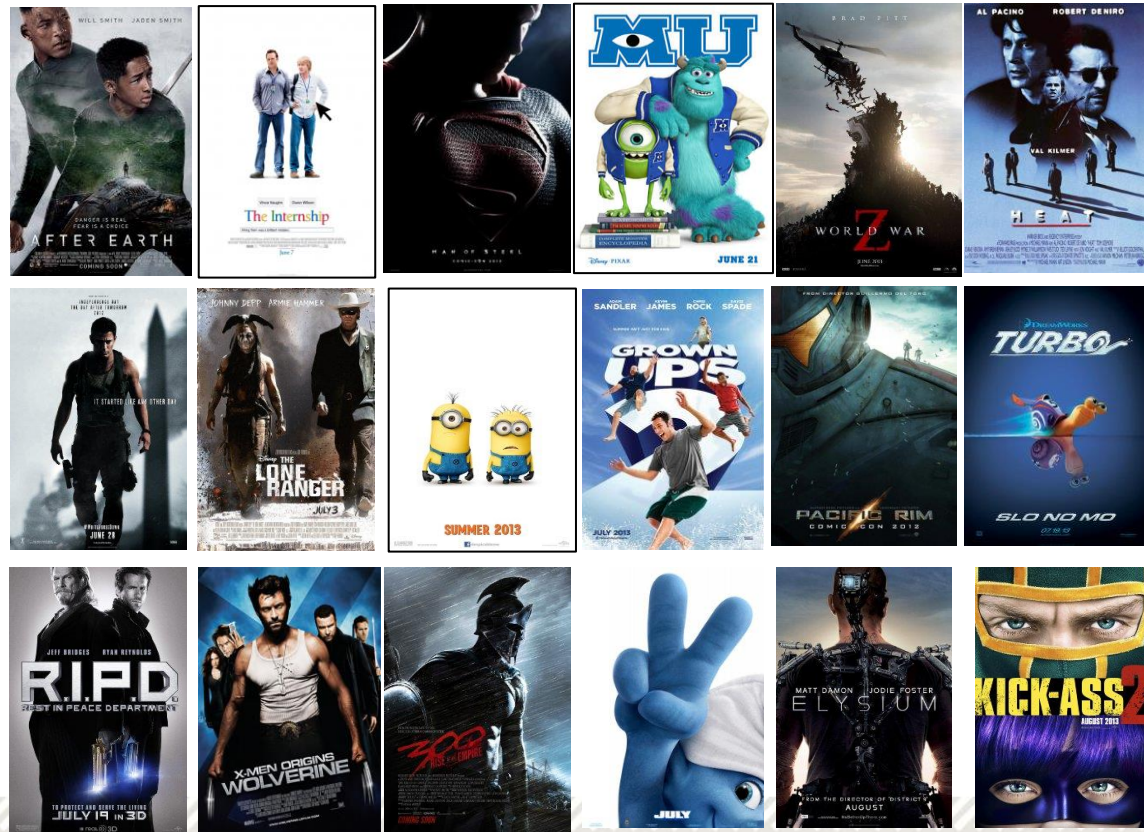


Film Outlook

Q4 Fiscal 2013



Q1 Fiscal 2014



MARCUS® HOTELS & RESORTS



MARCUS® HOTELS & RESORTS

Our Portfolio

- Company majority-owned properties:



Grand Geneva Resort, Lake Geneva, Wis.



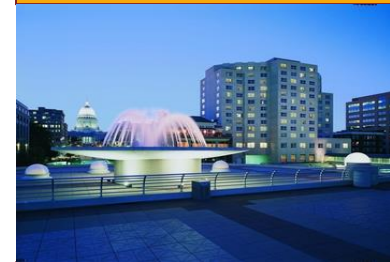
Skirvin Hilton, Oklahoma City, Okla.



Four Points by Sheraton Chicago, Chicago, Ill.



InterContinental Milwaukee



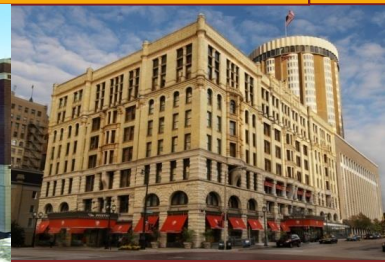
Hilton Madison Monona Terrace, Madison, Wis.



Hotel Phillips, Kansas City, Mo.



Hilton Milwaukee



The Pfister Hotel, Milwaukee, Wis.



The Cornhusker, A Marriott Hotel, Lincoln, Neb.

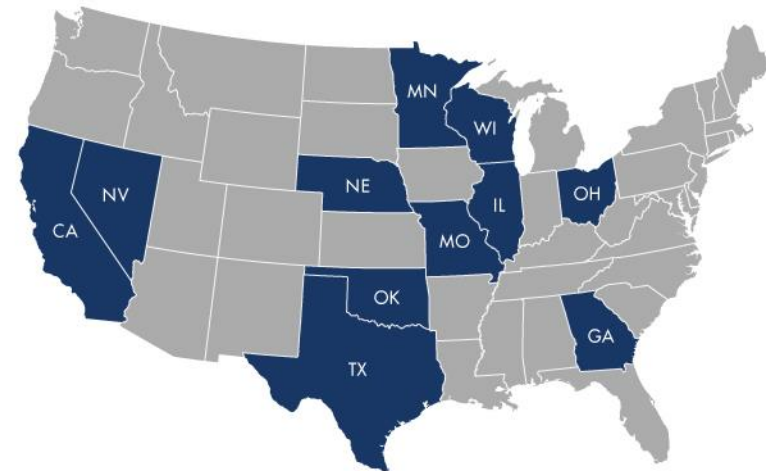


By the Numbers

- Nine company majority-owned and operated properties
- Manage 11 properties for other owners
- Own or manage ~5,400 rooms
- Invested nearly \$70M in existing hotels over the past five fiscal years
- Currently overseeing \$24M in renovations at new managed properties

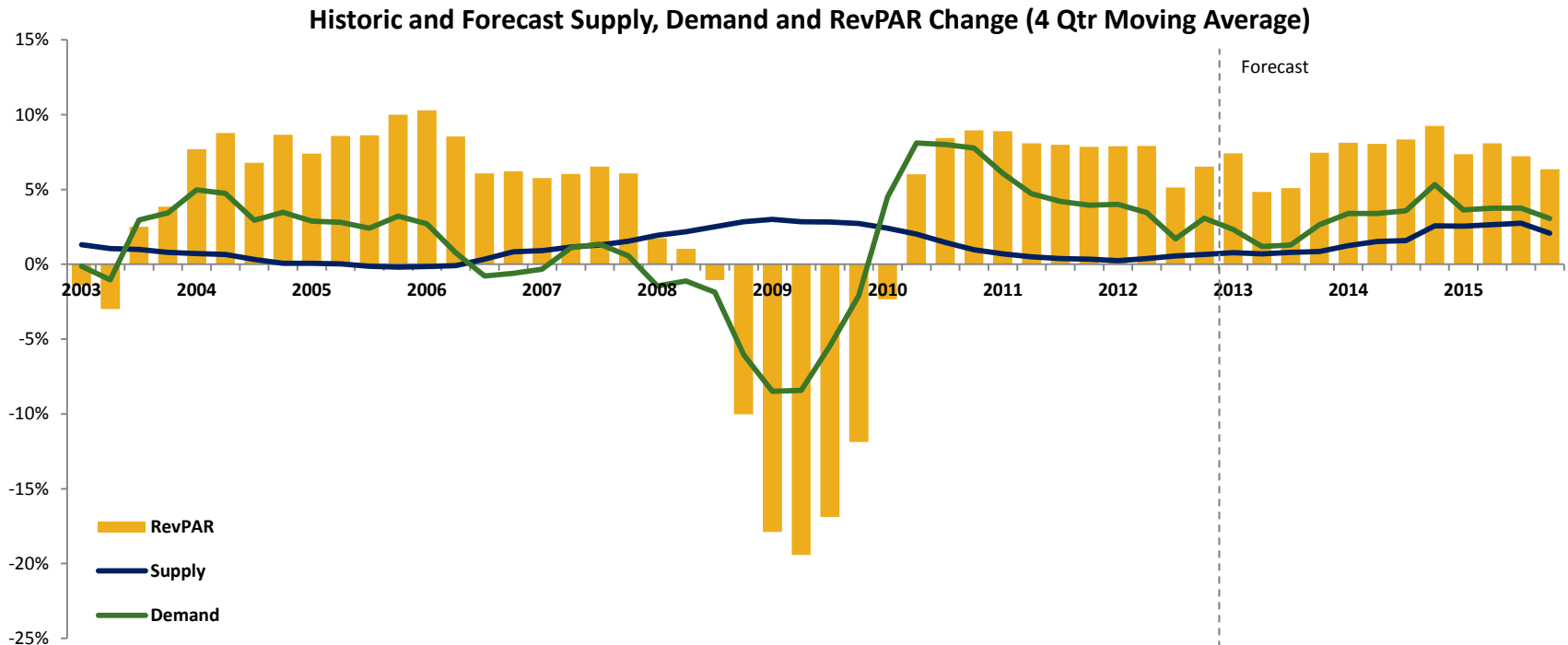
Marcus Hotels Locations

(Owned and/or managed)



Industry Performance

- Supply/demand imbalance driving strong performance
- Demand strongest at upper end

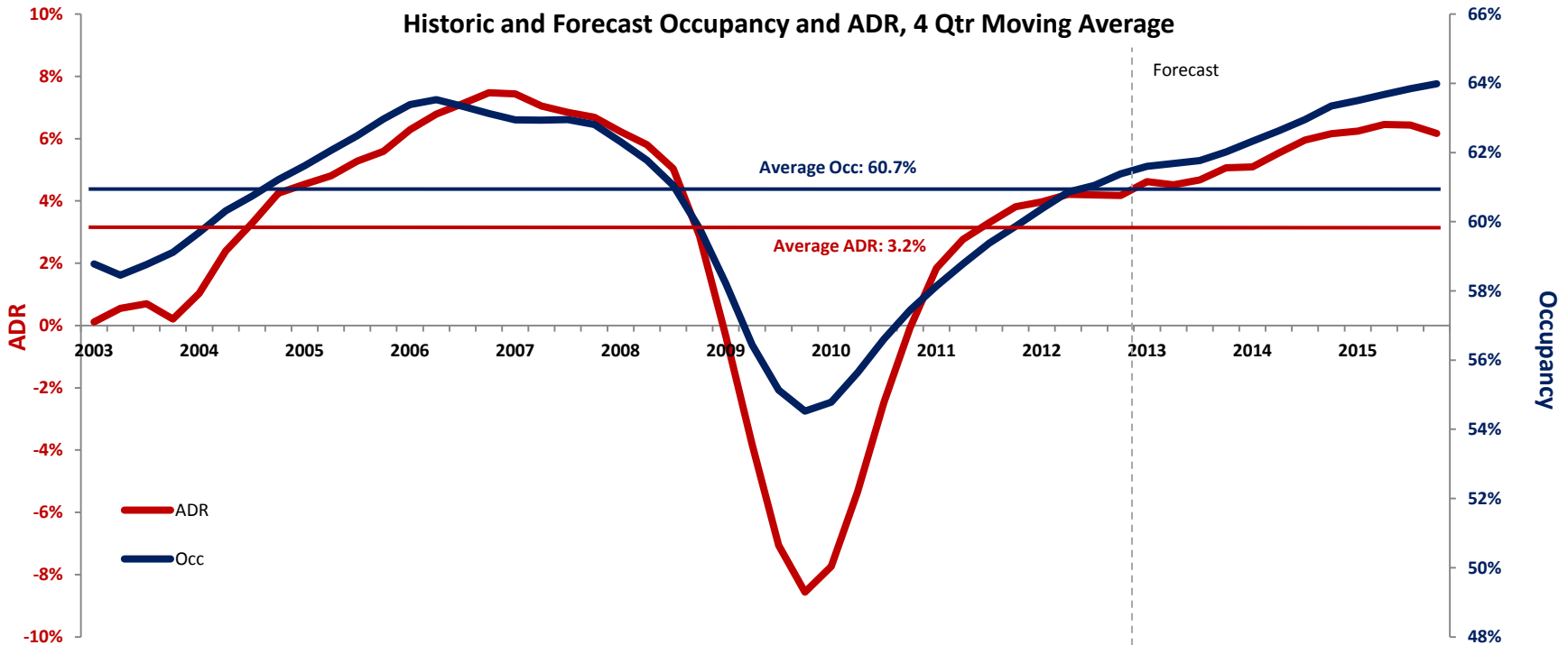


Source: PKF Hospitality Research LLC, Smith Travel Research



Industry Performance

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



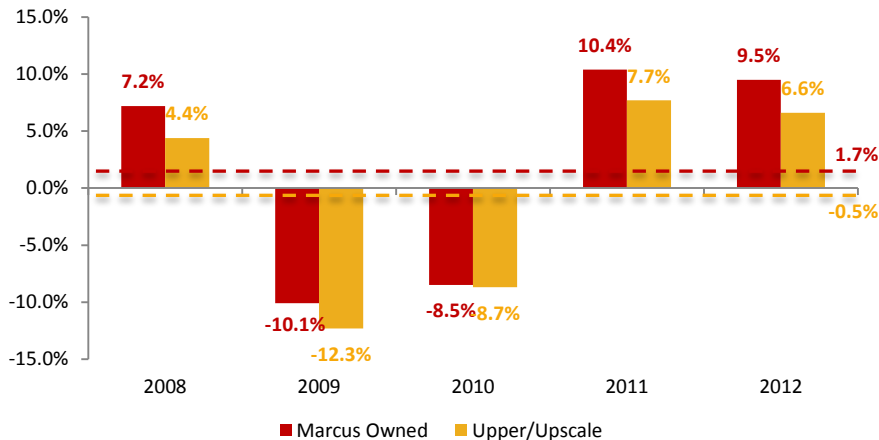
Source: PKF Hospitality Research LLC, Smith Travel Research



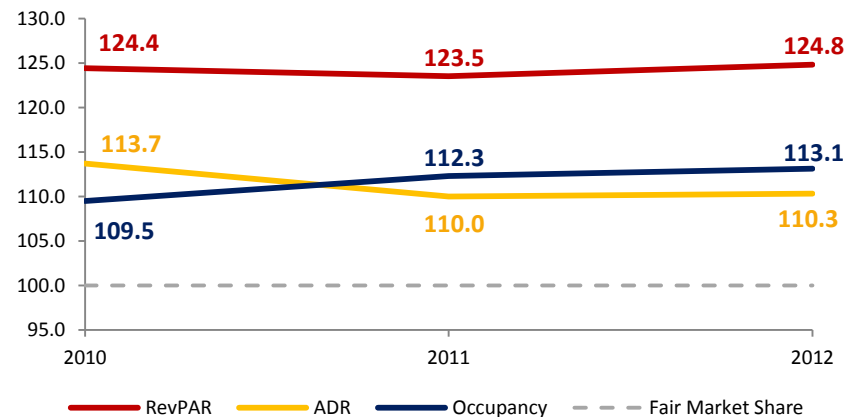
Industry Performance

- 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



Source: Smith Travel Research

Note: 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 due to:
 - Rising consumer spending
 - Increasing home values
- Marcus hotels are generally in the upper upscale category
- Upper upscale hotels are projected to show strong value increase by 8.8% in 2013
- Book value of hotel assets is approximately \$320M, or approximately \$114,000 per room

Year	Value per room	Annual % Change
Overall		
2009	\$ 76,457	-18%
2010	78,326	2%
2011	87,952	12%
2012	98,322	12%
2013E	106,893	9%

Luxury		
2009	253,083	-22%
2010	263,762	4%
2011	289,380	10%
2012	323,943	12%
2013E	352,716	9%

Upper Upscale		
2009	134,460	-19%
2010	136,893	2%
2011	151,163	10%
2012	167,466	11%
2013E	182,286	9%

Upscale		
2009	92,028	-19%
2010	92,721	80%
2011	106,429	15%
2012	117,935	11%
2013E	128,429	9%

Source: Penn State index of U.S. Hotel Values 2013



Growth Strategies



**Acquire
Additional
Properties**



**Add New
Management
Contracts**



**Enhance
Existing Assets**



**Maximize
Competitive
Advantages**

Acquire Additional Properties

- 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

Westin Atlanta Perimeter North



Add New Management Contracts

Cornhusker Hotel



Westin Atlanta Perimeter North



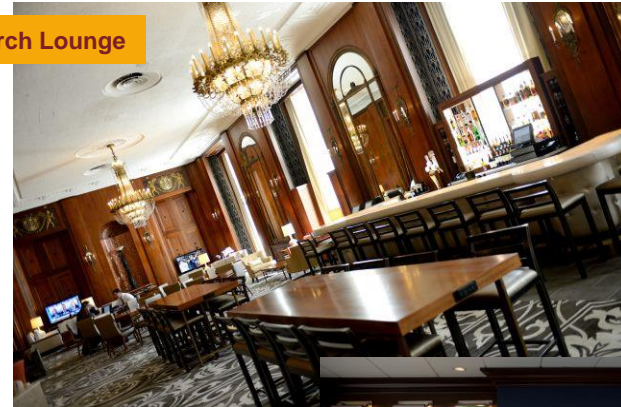
- Added 669 rooms in F2013:
 - 73% majority owner of The Cornhusker, A Marriott Hotel, in Lincoln, Neb.
 - 11% interest in the Westin Atlanta Perimeter North in suburban Atlanta, Ga.
 - Overseeing multi-million dollar renovations at both properties
- Comprehensive portfolio of services hotel owners and developers need
- Proven track record
- Ability to make small equity investments in managed properties



Enhance Existing Assets

- New Monarch Lounge at the Hilton Milwaukee
- Concierge and 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; to be introduced at the Cornhusker Hotel
- Completed two major hotel projects totaling ~\$30M at the Hilton Milwaukee and Grand Geneva Resort & Spa
- Major renovation projects completed at the Hotel Phillips and Hilton Madison

Monarch Lounge



Pfister Club Lounge



Miller Time Pub & Grill



Maximize Competitive Advantages

- 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
 - Five properties received the AAA Four Diamond Award® rating in 2013



- Pfister has maintained AAA Four Diamond status for 37 consecutive years since first introduced in 1976

- 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 Development

- Hotel and restaurant mobile websites for Smartphones and tablets
- Mobile reservation capabilities
- Focus on further mobile development for meetings and restaurants



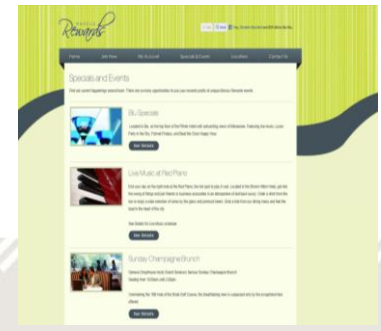
Social Media

- Each property has a social media team
- Reputation management
- Managers respond to online customer reviews
- Tremendous growth in Facebook likes and Twitter followers
- Pfister Hotel won Best Blog in *HOTELS* magazine Social Hotels Awards in 2012



Customer Direct Marketing

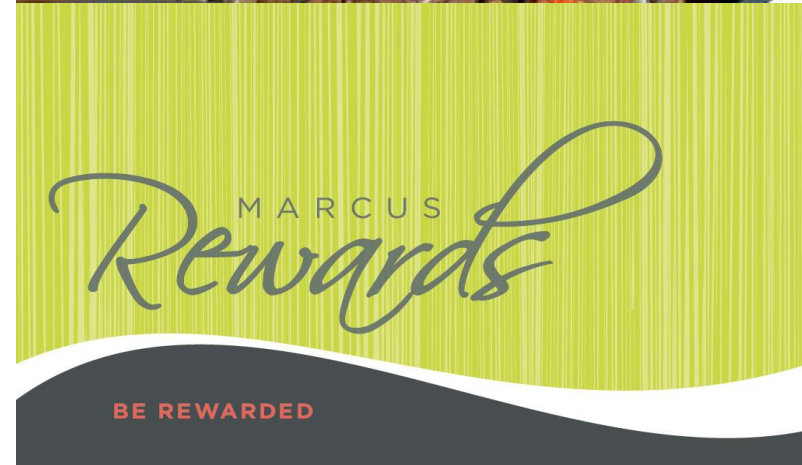
- Initiatives to capture customers directly
- Website search optimization
- Organic and paid search
- Retargeted banner advertising
- Escalated email capabilities and deployment



Maximize Competitive Advantages

Engaging with Guests

- Hotel and restaurant loyalty program established in 2008; over 25K members
- Points system rewards repeat customers
- Collect data; effectively market to engaged customer database
- VIP and Thank You events strengthen relationships and encourage cross-utilization



Maximize Competitive Advantages

Successful Food & Beverage Concepts



- Beer-inspired menu & beer cicerones on staff
- Large, 30-foot bar is focal point
- TV screens for watching sports
- MillerCoors artifacts & photos
- Neighborhood social spot

- Steaks. Chops. Style.
- Modern American ChopHouse
- Tender steaks, fresh seafood and a-la-carte options
- Ranked as one of the top steakhouses in their markets

- A Classic American Grill
- Wood-grilled steaks, seafood, world-class sandwiches & home-made desserts
- Where customers work and play
- Live entertainment; full bar and dining counter



Outlook

- Industry continues to rebound
- Good economic environment needed to sustain upward trends
- Near-term supply growth expected to be limited
 - Exception is the Milwaukee area, which is experiencing some meaningful growth
- Exploring hotel investments through MCS Capital
- Actively pursuing new management contracts
- Leveraging experience and complete portfolio of services



The Corners of Brookfield

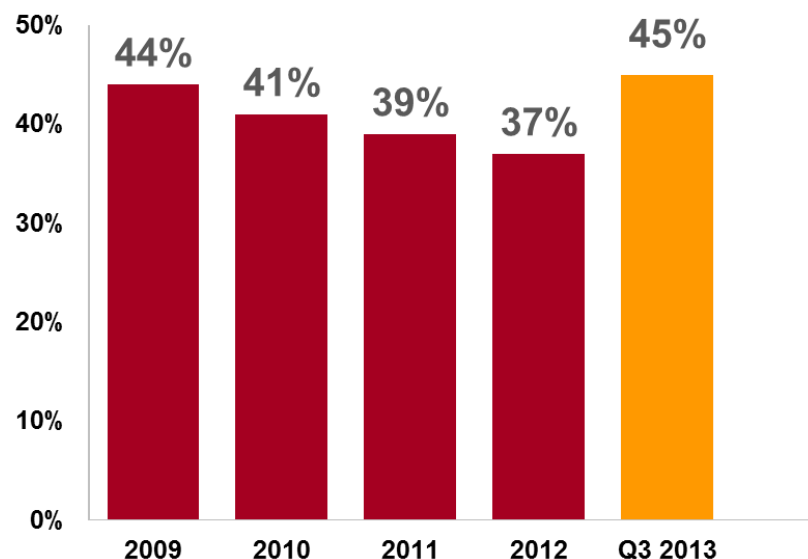
- Open-air mixed-use retail development in suburban Milwaukee
- Anchored by first Von Maur department store in Wisconsin
- \$100+ million 460,000 square-foot project; public/private partnership
- Stylish residential community featuring 150 luxury apartments and lofts
- National specialty and fashion retail along with best-in-class local and regional shops and restaurants
- Currently seeking a majority equity partner
- Possible Fall 2015 opening



Conservative Capitalization/ Ample Access to Capital

- Strong and consistent cash flow
- Low leverage on balance sheet
- \$119 million of unused credit lines as of 2/28/2013
- New five-year \$225 million credit facility
- Currently in the market for long-term senior notes to refinance short-term revolver borrowings – obtained investment grade pre-rating NAIC2

Debt/Capitalization Ratio



Summary



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*

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



Questions and Answers





THE MARCUS CORPORATION INVESTOR PRESENTATION APPENDIX



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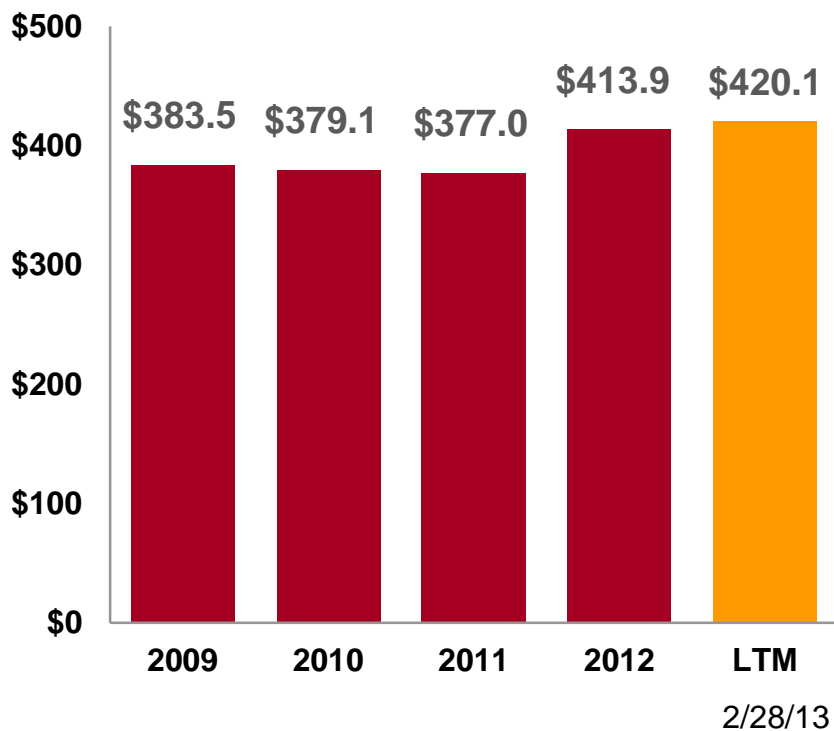
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Strength in Numbers

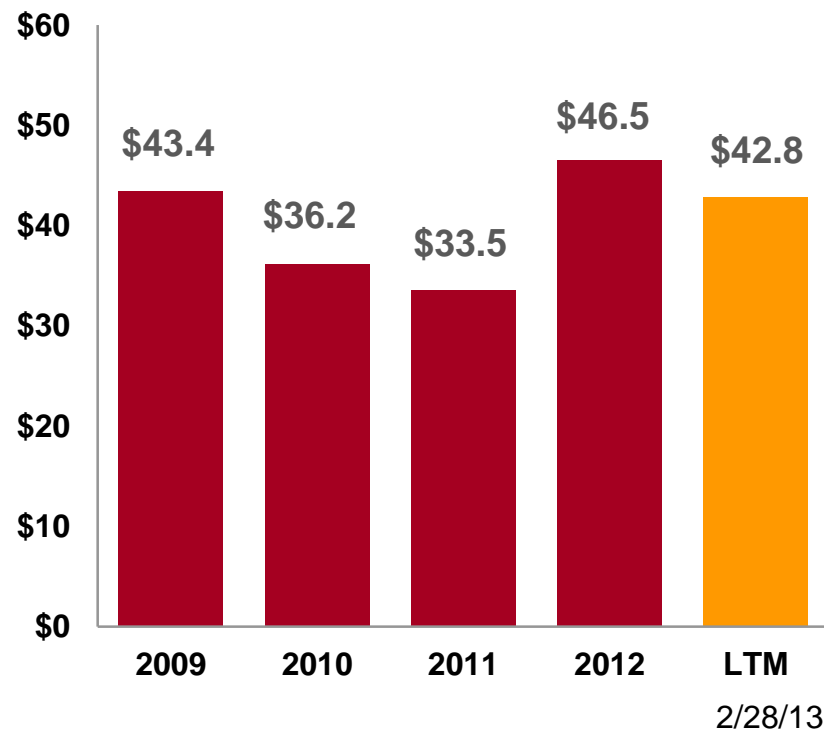
THE MARCUS CORPORATION

Financial Performance

Revenues (in millions)



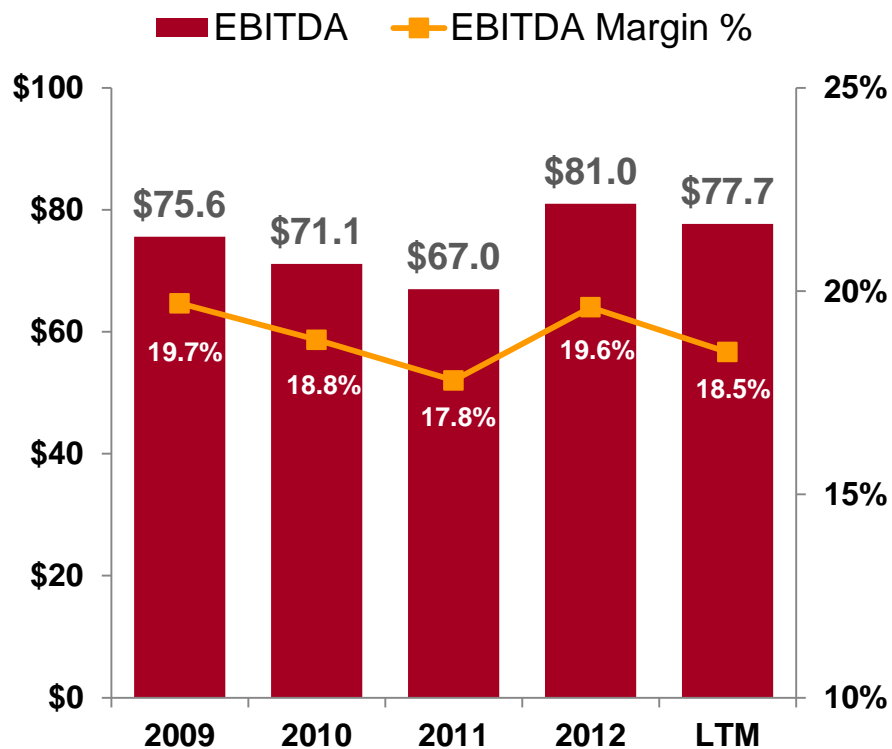
Operating Income (in millions)



THE MARCUS CORPORATION

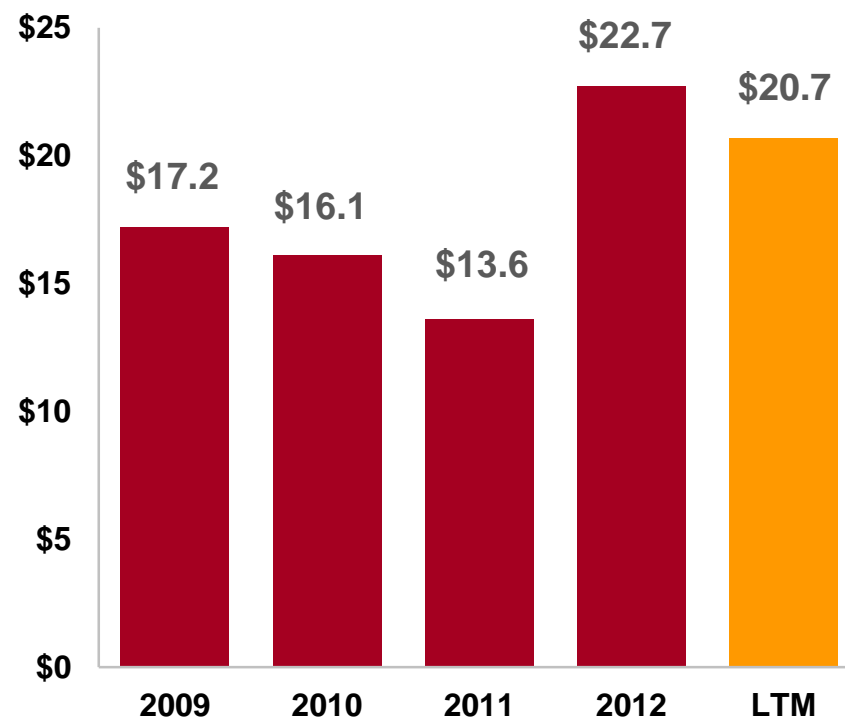
Financial Performance

EBITDA (in millions)



2/28/13

Net Earnings (in millions)



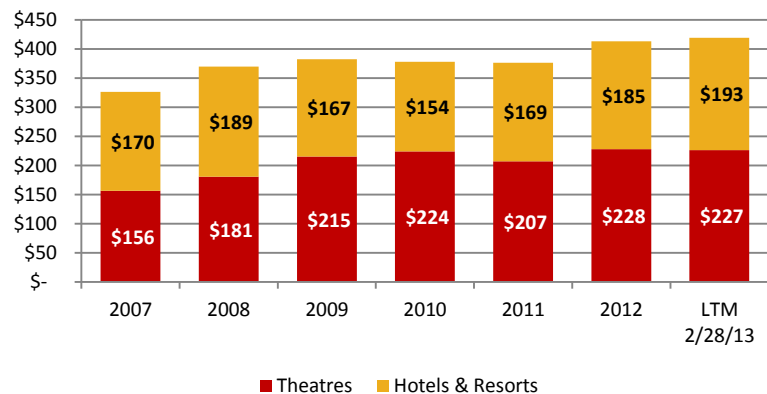
2/28/13



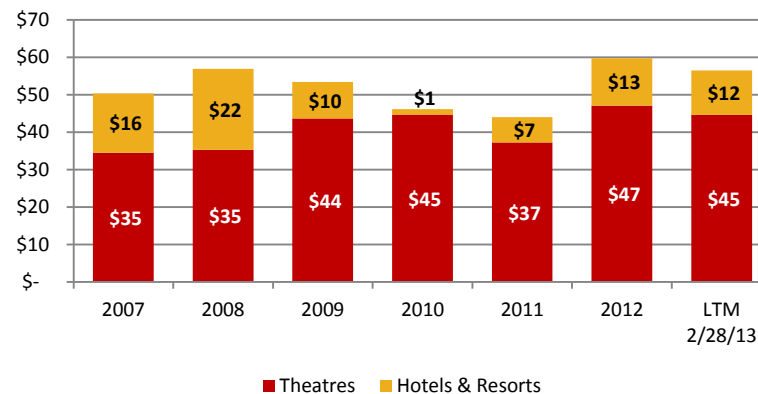
THE MARCUS CORPORATION

Historical Results by Segment

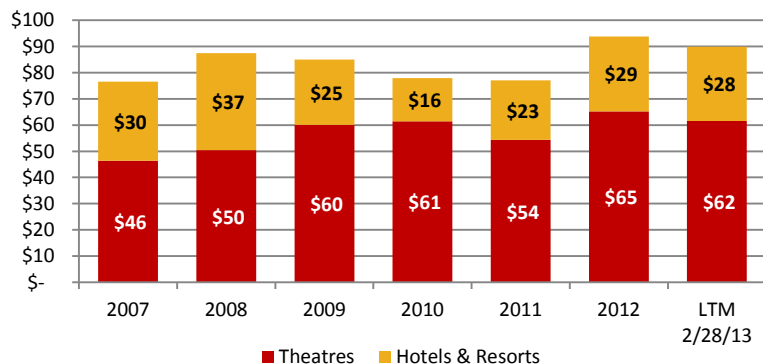
Revenues by Segment



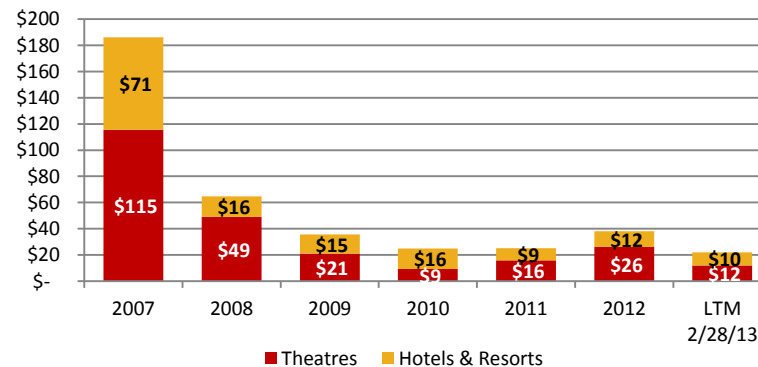
Operating Income by Segment



EBITDA by Segment



Capital Expenditures by Segment



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



THE MARCUS CORPORATION

Financial Performance – Nine Months F2013

- Revenues up 2.0%
- Operating income down 11.1%
- Results for first three quarters of fiscal 2013 were unfavorably impacted by unusual items totaling ~\$4M or \$0.09 per diluted common share
 - \$3M of costs related to the settlement of lawsuits concerning the company's Las Vegas property
 - \$1M of impairment charges in the theatre division

Operations (in thousands except per share)	First Three Quarters Fiscal 2013 February 28, 2013	First Three Quarters Fiscal 2012 February 23, 2012	% Change
Total revenues	\$312,246	\$306,053	2.0%
Operating income	29,948	33,684	(11.1)
Net earnings attributable to The Marcus Corporation	14,031	16,035	(12.5)
Net earnings per common share (diluted)	0.50	0.55	(9.1)

